

COMPREHENSIVE ANNUAL FINANCIAL REPORT

fiscal year ending on December 31, 2013



CITY OF SOUTH BEND, IN | MAYOR PETE BUTTIGIEG

Prepared by: Department of Administration and Finance — John Murphy, City Controller



Comprehensive Annual Finance Report

City of South Bend, Indiana

For the year ending December 31, 2013

Prepared by:

Department of Administration & Finance

John H. Murphy, City Controller

Jennifer C. Hockenhull, Deputy City Controller



I Introductory Section

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For The Year Ending December 31, 2013
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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Pete Buttigieg	01-01-12 to 12-31-15
Controller	Mark Neal John Murphy	01-01-12 to 01-02-14 01-03-14 to 12-31-15
City Clerk	John Voorde	01-01-12 to 12-31-15
President of the Board of Public Works	Gary A. Gilot	01-01-12 to 12-31-13
Common Council Members		
1 st District	Tim Scott	01-01-12 to 12-31-15
2 nd District	Henry Davis, Jr.	01-01-12 to 12-31-15
3 rd District	Valerie Schey	01-01-12 to 12-31-15
4 th District	Fred Ferlic	01-01-12 to 12-31-15
5 th District	David Varner	01-01-12 to 12-31-15
6 th District	Oliver J. Davis, Jr.	01-01-12 to 12-31-15
At Large	Karen L. White	01-01-12 to 12-31-15
At Large	Derek D. Dieter	01-01-12 to 12-31-15
At Large	Gavin Ferlic	01-01-12 to 12-31-15



CITY OF SOUTH BEND PETE BUTTIGIEG, MAYOR

DEPARTMENT OF ADMINISTRATION AND FINANCE

June 17, 2014

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, 2013** 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, 2012. 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 has remained fairly flat during the past decade increasing by only 1,372 residents from 2000 to 2010.

The estimated labor force in St. Joseph County is 135,516 workers (US Census Bureau 2007-2011 Survey 5-Year Estimates). The workers are typical of the Midwest: well-trained with a strong work ethic. Approximately 87.5% of the area's adult population are high school graduates or higher (as compared to the national average of 75%) with an estimated 26.2% with a Bachelor's Degree or higher. There are ten 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; 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. As of April 2014, St. Joseph County is experiencing an unemployment rate of 6.6%, which is higher than the State of Indiana unemployment rate of 5.5%. The unemployment rate in St. Joseph County is somewhat higher than some of its surrounding counties—Elkhart (5.0%), LaPorte (7.3%), and Marshall (5.5%) in Indiana and Cass (5.9%) and Berrien (6.8%) in Michigan (as of April 2014).

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 2007-2011 Survey 5-Year Estimates Civilian Employed Population):

<u>Economic Sector</u>	<u>Number Employed</u>	<u>% of Total</u>
Educational Services, Healthcare, Social Assistance	32,442	26.7%
Manufacturing	20,204	16.6%
Retail Trade	14,014	11.5%
Arts, Entertainment, Recreation, Accommodation, Food Services	11,120	9.1%
Professional, Scientific, Management, Administrative, Waste Management Services	9,858	8.1%
Finance and Insurance, Real Estate, Rentals, Leasing	6,956	5.7%
Construction	6,168	5.1%
Transportation and Warehousing, and Utilities	5,644	4.6%
Other Services, except Public Administration	5,530	4.5%
Wholesale Trade	3,824	3.1%
Public Administration	3,334	2.7%
Information	2,105	1.7%
Agriculture, Forestry, Fishing, Hunting, Mining	514	0.4%
Total	121,713	100.00%

St. Joseph County presently has an estimated 101,071 households with an average per capita personal income of \$23,420, which compares to the State of Indiana average per capita income of \$24,497 and the United States per capita income of \$27,915. The per capita income in St. Joseph County compares favorably with many of its surrounding counties—Elkhart (\$21,879), La Porte (\$22,968), and Marshall (\$22,376) in Indiana and Cass (\$23,045) and Berrien (\$24,490) in Michigan.

Health and education lead the employment statistics for St. Joseph County. The largest employers in St. Joseph County as of December 2013 were as follows: University of Notre Dame (5,590); Beacon Health Systems (3,450); South Bend Community School Corporation (2,880); AM General (2,858); Trinity Health/Saint Joseph Regional Medical Center (2,597); Martin’s Super Market (1,555); Meijer, Inc. (1,450); Indiana University – South Bend (1,445); The City of South Bend (1,130); and Wal-Mart (1,245).

The following provides a profile of the residents of St. Joseph County (2010 Census Information):

Gender:	48.5% male; 51.5% female
Age:	36.2% 0-24 years of age; 25.3% 25-44 years of age; 25.3% 45-64 years of age; and 13.2% 65 years of age and older.
Race:	76.0% White; 12.4% Black/African American; 7.1% Hispanic/Latino; 1.7% Asian; and 2.8% Other
Marital Status:	46.1% Married; 53.9% Single/Widowed/Divorced/Other
Home Ownership:	70.7% own; 29.3% 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 2014, the median sales price for a single family home in the South Bend-Mishawaka Statistical Area was \$85,700 as compared to a median sales price of \$176,900 in Chicago and \$132,900 in Indianapolis. The national median sales price is \$191,600.

The City of South Bend continues to place high emphasis on a growing and diversified local economy. It has been active in developing ten industrial parks, offering itself as a low-cost alternative to the Chicago metropolitan area to companies engaged in light manufacturing, distribution and services. More than 240 businesses operate in South Bend’s industrial parks, including companies engaged in metalworking, plastics, warehousing and distribution, and professional services. In recent years, the City has developed Innovation and Ignition parks, the first dual-site, state-certified technology park in the State of Indiana.

The South Bend Community School Corporation serves the entire City and some of the surrounding area and has a current enrollment of approximately 19,014 students in grades kindergarten through high school. An estimated 5,438 students attend private or parochial schools within the City. The nine institutions of higher education and technical training located within the South Bend area have a total enrollment of approximately 33,500. 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. It made the name Studebaker synonymous with the area of South Bend and 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 and aerospace products. The Singer Sewing Company 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 with the Chamber and Pops Orchestras, 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; Copshaholm/The Oliver Mansion; Century Center; Potawatomi Zoo; the Morris Conservatory/Muessel-Ellison Tropical Gardens; Healthworks! Kids Museum; the Farmers’ Market; and the 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. The stadium is home to the South Bend Silver Hawks, a minor league team affiliated with the Arizona Diamondbacks. During 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. Total attendance of approximately 237,000 for 2013 was up 25% from 2012’s total attendance of 189,575 and doubled since 2011’s season total attendance of 112,795.

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 also is 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, 2013 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 City 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.

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 but has been overcome by cost savings and the adoption of local option income taxes to 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.

Citywide Goals and Objectives for 2014 and Beyond

The City has developed **eight broad goals** that focus on the following areas: economy, safety, quality of life, trust, responsiveness, infrastructure, finance and workforce. The City has identified various objectives that are tied directly to these goals which, if achieved, will result in the attainment of these goals. The eight goals are listed below.

GOAL ONE: The Community's Economy

Improve South Bend's economy to ensure a vigorous local business climate; ample employment, business and investment opportunities for all our customers; and a tax base that is sufficient to meet the needs of the City, its residents and other customers.

GOAL TWO: The Community's Public Safety and Civility

Improve South Bend's public safety and civility to ensure that every resident and other customers can live, work, play, run a business and raise a family in a humane, pleasant and safe environment; have adequate, affordable and timely access to all forms of emergency services; and can contribute and participate in a community where people of different backgrounds live in mutual respect and harmony.

GOAL THREE: The Community's Quality of Life

Improve South Bend's quality of life to ensure that every resident and every family can earn an adequate income; secure adequate housing; live in a safe, pleasant and humane neighborhood; enjoy a wide range of social, cultural and recreational opportunities; and have access to quality educational and medical services within an excellent natural and manmade environment.

GOAL FOUR: Trust in City Government

Improve residents' trust in City government to ensure that South Bend has a broad base of consensus and support on which to build the future, a strong foundation for collaborative action and community partnerships; and an increase in resident and customer participation in the daily public life of the community.

GOAL FIVE: The City's Responsiveness, Efficiency, and Effectiveness

Improve the responsiveness, efficiency, and effectiveness of City government to ensure that the City's customers get the value they expect and deserve.

GOAL SIX: The City's Infrastructure

Improve the City's infrastructure to ensure that South Bend can support physical growth and economic development; and offer an excellent quality of life to all of its residents and other customers.

GOAL SEVEN: The City's Financial Condition

Improve the financial condition of City government to ensure that South Bend has the financial resources necessary to achieve all of its goals during the next five years, while maintaining its strong credit rating.

GOAL EIGHT: The City's Workforce

Improve the City government's existing workforce, work environment and human development systems to ensure that South Bend has the human resources necessary to achieve all its goals during the next five years.

City Mission Statement and Department Purpose Statements

The City provides services to its customers through thirteen administrative departments. These departments have unique purposes that are intended to support the citywide mission statement which is "to be recognized as a model city." Each department has developed a purpose statement which identifies their specific role.

Mayor's Office: Leading the community to become a model city through formulating policy, directing operations and responding to customer concerns.

Common Council: Making certain that our City government is always responsive to the needs of our residents and that the betterment of South Bend is always our highest priority.

City Clerk's Office: Preserving all City Ordinances and Council meeting minutes for generations yet to be, and providing fair and consistent treatment of our Ordinance Violations Bureau customers.

**Administration
and Finance:**

Providing financial and organizational stability for the City through sound financial and human resources management while ensuring the existence of a safe work environment, quality employee benefits and equal treatment for all City employees.

Legal Department: Providing superior, professional and ethical legal services for our client, the City of South Bend.

Police Department: Protecting the life, property and personal liberties of all individuals; improving the overall quality of life by deterring criminal activity and respecting cultural diversity; delivering fair and impartial law enforcement services to all residents.

Fire Department: Providing the highest level of fire protection and emergency medical services possible to all of our customers, saving lives and property, and striving to become a model Fire Department for other cities in an efficient and cost-effective manner.

Code Enforcement: Maintaining and improving the physical quality of life in our neighborhoods.

**Parks and
Recreation:**

Offering all residents and guests of South Bend the highest quality of recreational and leisure activities, while providing well-managed parks and recreational facilities with updated programming and friendly productive service.

**Community
Investment
(Econ Dev):**

Creating and expanding opportunities through partnerships in neighborhood revitalization, commercial and industrial development and community enhancement.

Public Works: Providing leadership in the development and delivery of engineering, fleet,

transportation, sanitation, wastewater, water and other services as called upon by our customers.

Building

Department: Serving our customers by inspecting, informing and ensuring a safe place to work, play and live.

Century Center: Providing a state-of-the-art convention facility with excellent services to customers while generating maximum economic benefit to our community.

Building South Bend in 2014 and beyond

The City Administration’s theme for the past several years has been “We’re Building South Bend.” That theme has had a major influence on the development of the 2014 budget. There are five areas of concentration that became or remained budget priorities for 2014.

- ***We’re Building Neighborhoods*** - The City continues with its strong commitment to neighborhoods. The City will make a significant investment to fund or leverage state and federal funding for housing assistance, development and home ownership programs, neighborhood public works and parks, neighborhood development for social services and organizations, and public safety initiatives. Committing these resources will help us maintain, improve and support strong neighborhood development.
- ***We’re Building a Safe City*** - Public safety is the foundation of all the City’s efforts to build South Bend. Through the targeted and creative use of available resources, the City is working to provide quality police, fire and ambulance services for the community. The crime rate has decreased in several significant categories over the past year. The City’s Fire Departments is rated one of the best in the State. A key initiative will focus on community policing, group violence, and placing more emphasis on training and recruitment for the Police and Fire Departments.
- ***We’re Building an Attractive City*** - We are working to enhance the natural and man-made beauty of our city through effective City programs. The City has taken steps through its Department of Code Enforcement and a Mayoral Task force to address the issue of vacant and abandoned properties. The City is funding major programs to renovate the former Studebaker Corridor area and other parts of the City. The City has been recognized as a Bicycle Friendly Community by the League of American Bicyclists and has established over 60 miles of bicycle routes to date.
- ***We’re Building Opportunity*** - A key issue for any city is education and opportunity for young people. The City is committed to keeping schools open in our neighborhoods and to maximizing their use by the community. We are building partnerships with the South Bend School Corporation and other key stakeholders that will create new strategies for enhancing our formal educational systems. Working together with families, student groups, school officials, neighborhoods, the faith community and civic organizations, we can support our local schools and improve the level of individual student performance.

- ***We're Building a Strong Economy*** - Local government plays a key role in economic development. By providing adequate infrastructure and offering targeted assistance, the City can stimulate private investment, creating business opportunities and jobs. The City's policies 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 the areas around the East Bank and the downtown areas. The City has had many significant economic development projects including Eddy Street Commons, a \$220 million dollar mixed-use development south of Notre Dame, with more than 20 stores and restaurants, office space and hundreds of town homes, apartments and condominiums. In addition, the City has created Indiana's first dual-site, state-certified technology park site known as Innovation Park and Ignition Park.

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 2012, Mayor Buttigieg launched eight new 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.
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. Also, efforts to implement a first-class performance management system have been initiated and departmental performance measures are being monitored on a monthly basis. 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. Funding for demolition and remediation has increased significantly and is over \$2.0 million dollars in the 2014 budget.
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.
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 vision—**a safe, inclusive and well-connected South Bend**. In support of this vision, the Mayor has established three main pillars of administration policy:

1. **Basics are easy** – it is essential to provide City residents basic services so seamlessly that they take them for granted and are able to focus on their own families and daily challenges.
2. **Good government** – make government more accessible and accountable to those it serves by adopting a people-focused approach, trading partisanship for partnership and using technology to better serve all residents.
3. **Create Jobs** – focus on economic growth and make much needed investments in the future.

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, 2012. This was the 23rd 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.

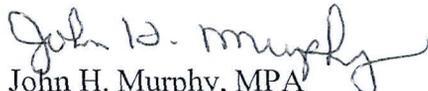
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

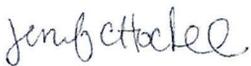
Acknowledgments

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 Danny Cocanower. In addition, we would like to thank the Field Examiners of the Indiana State Board of Accounts (led by Doug Wiese, Bruce Snyder and Alex Flores) for their hard work and dedication in this effort.

In closing, without the leadership and support of Mayor Pete Buttigieg, Deputy Mayor Mark Neal, City Department Heads, 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 Hockenull, CPA
Deputy City Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

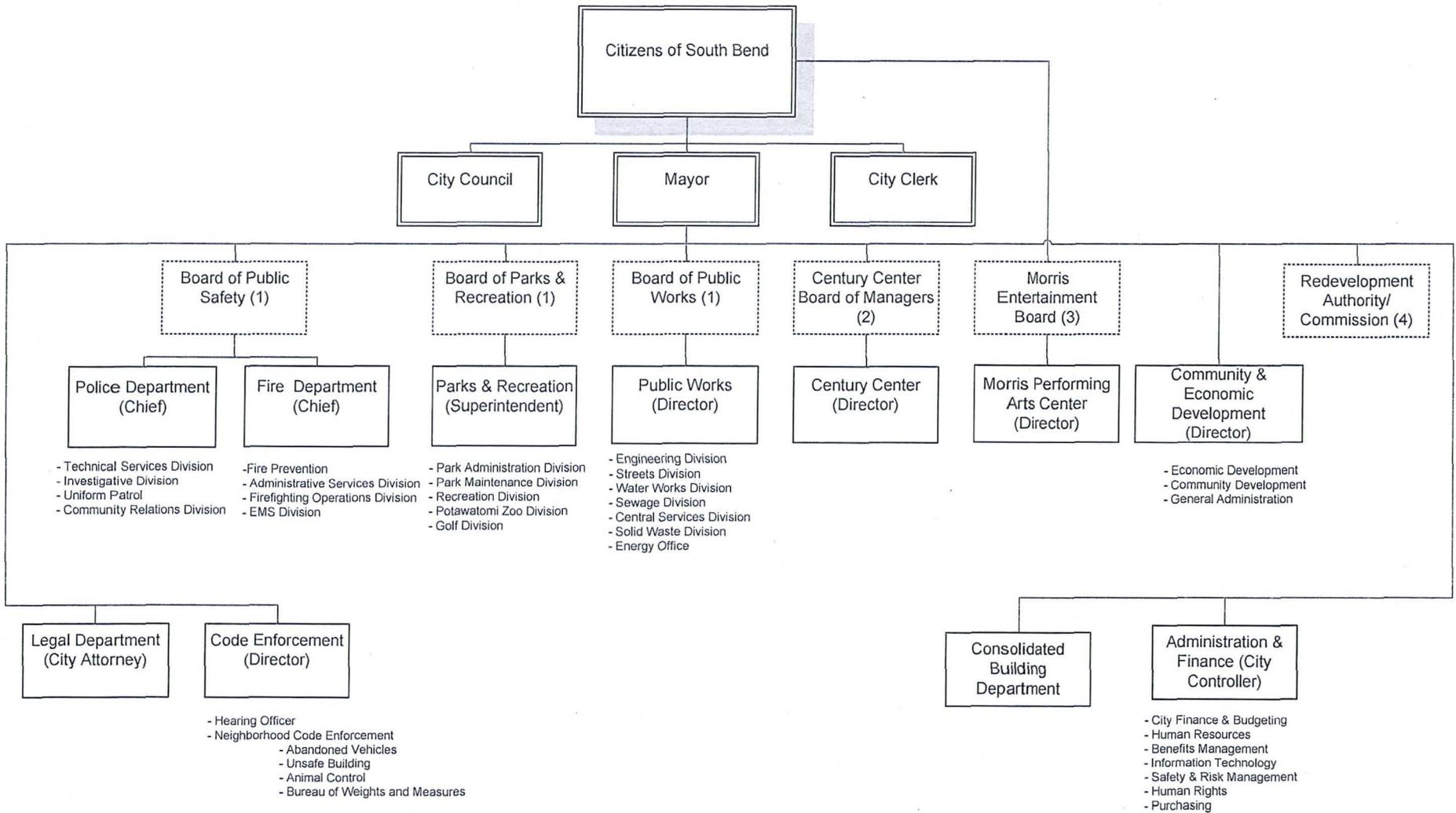
**City of South Bend
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of South Bend, Indiana Organizational Chart



(1) Board Members include Mayoral Appointments

(2) Board Members include Mayoral and Council Appointments

(3) Board Members include Citizen Appointments

(4) Board Members include Mayoral and Council Appointments for Redevelopment Commission, Mayoral Appointment for Redevelopment Authority



II Financial Section



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2013, 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our 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, 2013, and the respective changes in financial position and cash flows, where applicable, 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)

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 Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities, and Budgetary Comparison Schedules, 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

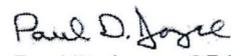
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City basic financial statements. The accompanying introductory section, combining and individual fund financial statements, other budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other budgetary comparison schedules 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 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.

The introductory section and statistical schedules 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 17, 2014, 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 17, 2014

Management Discussion & Analysis

The Management of the City of South Bend, Indiana ("City") provides herewith this Management Discussion & Analysis ("MD&A") of the financial activities and condition of the **City of South Bend, Indiana** for the **fiscal year ended December 31, 2013**.

Readers of the information contained within this Management Discussion & 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 and other commercial and tourism based industries. The diverse economic mix creates varied employment opportunities for residents while providing insulation via diversification from economic downturns.

The City of South Bend provides a full range of general governmental services to 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 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

All elected official current terms of office expire on December 31, 2015.

The City of South Bend was incorporated in 1865, compliant to Indiana Statute, and remains as such through the period covered by this Management Discussion & Analysis report.

Management Discussion & Analysis

Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Assets/deferred outflows	502,405,650	507,008,554	304,776,403	311,488,235	807,182,053	818,496,789
Liabilities/deferred inflows	215,811,805	221,879,951	134,096,229	142,076,868	349,908,034	363,956,819
Net position						
Capital net of debt	192,190,446	202,779,954	114,506,252	113,193,929	306,696,698	315,973,883
Restricted	7,990,172	8,050,418	48,267,664	29,259,933	56,257,836	37,310,351
Unrestricted	86,413,227	71,992,457	7,906,258	26,957,505	94,319,485	98,949,962
Total net position	286,593,845	282,822,829	170,680,174	169,411,367	457,274,019	452,234,196
Change vs. prior year	3,771,016	4,739,556	1,268,807	7,276,745	5,039,823	12,016,301
Expenses	153,017,817	153,984,307	54,949,283	48,559,092	207,967,100	202,543,399
Revenues	152,263,646	147,341,522	60,743,277	59,715,558	213,006,923	207,057,080

- Government-wide net position was \$457,274,019 as of December 31, 2013.
- Government-wide net position increased by \$5,039,823 or 1.1 percent during fiscal 2013. Governmental activity net position increased by \$3,771,016 or 1.3 percent and business-type activity net position increased by \$1,268,807 or 0.7 percent during fiscal 2013.
- Total assets and deferred outflows of resources as of December 31, 2013, of \$807,182,053 decreased by \$11,314,736 or -1.4 percent as compared to total assets and deferred outflows of resources as of December 31, 2012.
- Total liabilities and deferred inflows of resources as of December 31, 2013, of \$349,908,034 decreased by \$14,048,785 or -3.9 percent as compared to total liabilities and deferred inflows of resources as of December 31, 2012.
- As of December 31, 2013, the government-wide net position of \$457,274,019 has \$306,696,698 invested in capital assets (net of debt) which is not available for spending, \$56,257,836 classified as restricted for debt service and capital outlay, and \$94,319,485 classified as unrestricted and may be used to meet ongoing obligations to creditors.
- Government-wide revenue received in fiscal 2013 totaled \$213,006,923, an increase of \$5,949,843 or 2.9 percent versus government-wide revenues received in fiscal 2012. Governmental activity revenue increased by \$4,922,124 or 3.3 percent, whereas business-type activity revenue increased by \$1,027,719 or 1.7 percent.
- Government-wide expenses in 2013 totaled \$207,967,100, an increase of \$5,423,701 or 2.7 percent compared to expenses of \$202,543,399 in 2012. Government activity expenses decreased by \$966,490 or -0.6 percent and business-type activity expenses increased by \$6,390,191 or 13.2 percent compared to fiscal 2012.
- Explanatory commentary concerning the changes in assets, liabilities, revenue, and expenditures can be found in later sections of this MD&A.

Management Discussion & Analysis

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, 2013. 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.

- **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, 2013. 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, and Blackthorn golf course operations.

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.

Management Discussion & Analysis

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 six (6) major governmental funds (General, Parks and Recreation, Public Safety Local Option Income Tax, County Option Income Tax, Economic Development Income Tax, and Airport TIF) and sixty-two (62) non-major governmental funds.

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 seven (7) 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 Convention Center, which are considered major enterprise funds. Data from the other four (4) non-major enterprise funds (Consolidated St. Joseph County/South Bend Building Department, Parking Garage, Solid Waste and Blackthorn Golf Course) are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 five (5) fiduciary funds, which consist of two (2) pension trust funds (1925 Police Pension and 1937 Firefighter's Pension), two (2) agency funds (Payroll and Morris/Palais Royale Box Office), and one (1) private-purpose trust fund (City Cemetery).

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.

Management Discussion & Analysis

Effective in fiscal 2009 with the passage of State legislation, funding responsibility for the 1925 Police and 1937 Firefighter's Pension Funds was assumed by the State of Indiana. These funds no longer receive property tax revenue distributions beyond fiscal 2009. The transfer of pension responsibility to the State of Indiana is on a reimbursement basis and will not provide additional revenue to the City for use in other property tax funded areas. The administration of the pension plans remains the responsibility of the City.

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 report presents supplementary information. The combining statements referred to earlier in connection with nonmajor governmental, enterprise, internal service, and fiduciary funds are presented immediately after the basic financial statements within the financial statement section of the CAFR report.

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	
	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Assets						
Current & other	218,030,938	212,405,426	71,410,179	87,285,352	289,441,117	299,690,778
Capital assets (net)	284,374,712	294,607,604	231,494,566	222,492,214	515,869,278	517,099,818
Total Assets	502,405,650	507,013,030	302,904,745	309,777,566	805,310,395	816,790,596
Deferred Outflows	-	-	1,871,658	1,710,669	1,871,658	1,710,669
Liabilities						
Current	30,589,281	33,851,096	15,240,917	14,244,876	45,830,198	48,095,972
Long term	184,657,140	187,369,257	118,317,952	127,793,032	302,975,092	315,162,289
Total Liabilities	215,246,421	221,220,353	133,558,869	142,037,908	348,805,290	363,258,261
Deferred Inflows	565,384	659,598	537,360	38,960	1,102,744	698,558
Net position						
Capital net of debt	192,190,446	202,779,954	114,506,252	113,193,929	306,696,698	315,973,883
Restricted	7,990,172	8,050,418	48,267,664	29,259,933	56,257,836	37,310,351
Unrestricted	86,413,227	71,992,457	7,906,258	26,957,505	94,319,485	98,949,962
Total net position	286,593,845	282,822,829	170,680,174	169,411,367	457,274,019	452,234,196

- As of December 31, 2013, total assets and deferred outflows exceeded liabilities and deferred inflows by \$457,274,019, an increase of \$5,039,823, or 1.1 percent, from the net position level as of December 31, 2012.
- Governmental activities net position of \$286,593,845 increased by \$3,771,016 from December 31, 2012, an increase of 1.3 percent.

Management Discussion & Analysis

- Business-type net position of \$170,680,174 increased by \$1,268,807 over December 31, 2012, an increase of 0.7 percent. The increase in business-type net position was due primarily to a 9 percent increase in sewer rates which will be used to support long-term capital projects of the Wastewater utility.
- Government-wide assets and deferred outflows decreased \$11,319,212 or -1.4 percent as compared to amounts as of December 31, 2012, mainly due to a decrease in governmental capital assets as a result of a capitalization policy change.
- Government-wide liabilities and deferred inflows decreased by \$14,048,785 or -3.9 percent as compared to amounts as of December 31, 2012. The decrease is due mainly to the City's decision to not seek new debt financing for the Wastewater Utility in 2013, unlike the previous 2 years in which the Utility issued bonds of \$20 million or more.

Statement of Changes in Net Position

	Governmental Activities		Business type Activities		Government-wide Activities	
	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Revenue						
Program Revenue						
Charge for services	13,158,358	12,967,034	59,906,998	57,419,733	73,065,356	70,386,767
Operating grants	21,466,622	24,937,596	-	-	21,466,622	24,937,596
Capital grants	1,867,213	2,468,120	697,917	2,010,253	2,565,130	4,478,373
General Revenue						
Taxes						
Property tax	72,018,650	71,775,415	-	-	72,018,650	71,775,415
Other tax	22,811,296	23,360,791	-	-	22,811,296	23,360,791
Unrestricted grants	5,893,924	3,891,810	-	-	5,893,924	3,891,810
Investment earnings	762,269	1,317,443	138,362	285,572	900,631	1,603,015
Other revenue	14,285,314	6,623,313	-	-	14,285,314	6,623,313
Total Revenue	152,263,646	147,341,522	60,743,277	59,715,558	213,006,923	207,057,080
Expense						
General government	13,200,898	16,102,189	-	-	13,200,898	16,102,189
Public safety	76,023,819	69,977,237	-	-	76,023,819	69,977,237
Highways & streets	20,915,815	15,198,102	-	-	20,915,815	15,198,102
Culture & recreation	26,846,471	21,724,589	-	-	26,846,471	21,724,589
Economic development	10,069,690	27,158,034	-	-	10,069,690	27,158,034
Interest on long term debt	5,961,124	6,134,406	-	-	5,961,124	6,134,406
Water utility	-	-	15,221,865	12,228,014	15,221,865	12,228,014
Wastewater utility	-	-	26,390,790	23,809,975	26,390,790	23,809,975
Civic center	-	-	4,330,656	2,929,268	4,330,656	2,929,268
Building department	-	-	1,131,815	909,376	1,131,815	909,376
Parking	-	-	1,285,056	1,721,655	1,285,056	1,721,655
Solid waste	-	-	5,091,588	5,118,806	5,091,588	5,118,806
Golf course	-	-	1,497,513	1,841,998	1,497,513	1,841,998
Total Expense	153,017,817	156,294,557	54,949,283	48,559,092	207,967,100	204,853,649
Change in net position						
Before transfers / special	(754,171)	(8,953,035)	5,793,994	11,156,466	5,039,823	2,203,431
Transfers	4,525,187	3,879,721	(4,525,187)	(3,879,721)	-	-
Change in net position	3,771,016	(5,073,314)	1,268,807	7,276,745	5,039,823	2,203,431
Beginning net position (restated)	282,822,829	287,896,143	169,411,367	162,134,622	452,234,196	450,030,765
Ending net position	286,593,845	282,822,829	170,680,174	169,411,367	457,274,019	452,234,196

Management Discussion & Analysis

Governmental Activities

Net position for government-wide activities increased by \$5,039,823 during fiscal 2013. Revenue of \$213,006,923 increased by \$5,949,843, or 2.9 percent. Expenses were \$207,967,100 during 2013, an increase of \$3,113,451, or 1.5 percent as compared to fiscal 2012.

The revenue increase was due primarily to one-time payments for legal settlements, most notably from the Studebaker-Oliver Brownfield (\$3.8 million) and Bosch (\$2.0 million). Economic Development expenditures decreased significantly due to the continued phase-out of ARRA but increases in other areas resulted in the minimal net decrease of expenditures noted above.

Interest on long-term debt of \$5,961,124 decreased by \$173,282 from 2012, as the City continued to take advantage of favorable financing rates by either retiring older, higher-rate instruments, or re-financing instruments at better terms.

Transfers in the amount of \$4,525,187 for 2013 represent payment in lieu of taxes (PILOT) paid by the Wastewater and Water Utilities to the General Fund, Parks and Recreation Fund and other funds that receive property taxes. The transfer amount increased by \$645,466 from 2012.

Business-Type Activities

Net position from business-type activities increased by \$1,268,807 during fiscal 2013. During 2013, revenue of \$60,743,277 increased by \$1,027,719 or 1.7 percent over fiscal 2012. During 2013, expenses of \$54,949,283 increased by \$6,390,191 or 13.2 percent when compared to fiscal 2012.

Revenue increased primarily in the Water and Wastewater Utilities as a result of rate increases which were again offset by lower grant revenues.

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.

Condensed Balance Sheet, Statement of Revenue, Expenditures, and Changes in Fund Balance As of December 31, 2013

	General	Park & Rec	PS LOIT	COIT	EDIT	TIF Airport	Other	Total
Total assets	29,689,725	4,388,261	2,030,864	17,495,359	11,284,910	36,673,858	111,348,345	212,911,322
Total liabilities	2,020,812	302,843	235,645	696,591	119,988	658,839	11,691,289	15,726,007
Fund Balances:								
Non-spendable	656,848	84,308	-	2,597,472	449,831	10,498,432	9,198,433	23,485,324
Restricted	-	4,001,110	1,795,219	-	-	25,516,587	64,074,963	95,387,879
Committed	-	-	-	-	-	-	20,697,026	20,697,026
Assigned	531,959	-	-	14,201,296	10,715,091	-	10,538,803	35,987,149
Unassigned	26,480,106	-	-	-	-	-	(4,852,169)	21,627,937
Total fund balance	27,668,913	4,085,418	1,795,219	16,798,768	11,164,922	36,015,019	99,657,056	197,185,315
Liability & fund balance	29,689,725	4,388,261	2,030,864	17,495,359	11,284,910	36,673,858	111,348,345	212,911,322
Revenues	60,034,428	10,927,283	5,895,440	8,421,470	8,769,448	16,908,969	40,195,436	151,152,474
Expenditures	72,497,416	12,057,938	235,645	7,599,409	2,520,034	6,486,862	51,463,446	152,860,750
Net surplus (deficit)	(12,462,988)	(1,130,655)	5,659,795	822,061	6,249,414	10,422,107	(11,268,010)	(1,708,276)
Other sources (uses)	11,336,818	502,315	(6,857,086)	(1,807,098)	(5,456,519)	(1,021,953)	15,264,972	11,961,449
Net change in fund balances	(1,126,170)	(628,340)	(1,197,291)	(985,037)	792,895	9,400,154	3,996,962	10,253,173
Beginning fund balances - restated	28,795,083	4,713,758	2,992,510	17,783,805	10,372,027	26,614,865	95,660,094	186,932,142
Ending fund balances	27,668,913	4,085,418	1,795,219	16,798,768	11,164,922	36,015,019	99,657,056	197,185,315

Management Discussion & Analysis

As of December 31, 2013, the City governmental funds reported a combined ending fund balance of \$197,185,315.

The Nonspendable fund balance of \$23,485,324 is sequestered for property held for resale, inventory, non-current loans receivable and advances to other funds and is, therefore, not available for new spending. The Restricted fund balance of \$95,387,879 consists of monies in debt service funds or other funds such as Road funds that are limited by external parties as to their use. The Committed fund balance of \$20,697,026 is designated by the South Bend Common Council to be used for certain purposes such as for environmental projects. The Assigned fund balance of \$35,987,149 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 \$21,627,937 consists of money primarily in the General Fund that has not been obligated in any manner by the City.

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

As of December 31, 2013, the General Fund balance of \$27,668,913 represents a decrease of \$1,126,170 or -3.9 percent from the balance as of December 31, 2012. The decrease was due primarily to degrading tax revenues that continue to challenge City operations.

As of December 31, 2013, the General Fund had an unassigned fund balance of \$26,480,106 which is equal to 44.1 percent of 2013 General Fund Revenue.

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 will use the unassigned fund balance in 2014 as a cash flow bridge to the receipt of property tax revenues from the County collection authority which distributes property tax revenue two times per year (June and December). General Fund unassigned balance will provide sufficient cash to cover City operating obligations without incurring tax anticipation notes and resultant borrowing costs during fiscal 2014.

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 lower if circumstances dictate, such as a delay in collection of a major revenue source.

The **Parks and Recreation Fund** balance decreased \$628,340 during fiscal 2013, due primarily to a combination of flat revenues and increased service costs. As of December 31, 2013, the fund balance in the Parks and Recreation Fund was \$4,085,418, or 37.4 percent of 2013 revenue.

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 percent, a part of which (0.25 percent) 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. Operating transfers are made quarterly from the Public Safety LOIT Fund to the General Fund to cover the personnel costs of police officers and firefighters. Receipts of Public Safety LOIT tax revenue commenced in January 2010. The revenue collected in fiscal 2013 of \$5,895,440 decreased by \$169,660 or -2.8 percent compared to 2012. The decrease in fund balance in the amount of \$1,197,291 during 2013 is the result of increased costs for police and fire personnel.

Management Discussion & Analysis

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 costs, and certain debt service payments.

The COIT fund decreased by \$985,037 during 2013, due to higher expenditures in the areas of public safety, economic development, and general government. 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 costs, and certain debt service payments.

As of December 31, 2013, the COIT fund balance of \$16,798,768 included assigned fund balance of \$14,201,296 and non-spendable fund balance of \$2,597,472, primarily for property held for resale and advances to other funds.

The EDIT fund increased by \$792,895 during 2013 due to higher income tax receipts than originally estimated and conservative commitment of expenses to initiatives of the highest priority. 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 department, and certain debt service payments.

As of December 31, 2013, the EDIT Fund balance of \$11,164,922 included assigned fund balance of \$10,715,091 and non-spendable fund balance of \$449,831, consisting of property held for resale.

The fund balance in the **TIF Airport Fund** increased by \$9,400,154 during 2013. Revenue increased by \$5,023,905 due to increased tax collection and a one-time payment of \$2 million from Bosch in fulfillment of their lease termination agreement. Actual expenditures dropped by \$9,440,000 due to continuation of projects into 2014, and thus the fund's restricted balance for encumbrances increased proportionately.

As of December 31, 2013, the TIF Airport Fund balance of \$36,015,019 included \$10,498,432 in property held for resale and advances to other funds, and \$25,516,587 in restricted fund balance reserves. The TIF Airport Fund continues to be a major success for the City of South Bend and has generated in excess of \$500 million dollars in private investment since its inception.

During 2013, the fund balances in **Other Governmental funds** increased by \$3,996,962 due primarily to a one-time litigation settlement of \$3.5 million for the Studebaker-Oliver Brownfield rehabilitation.

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 its boundaries.

Individual fund data for each of the non-major governmental funds is provided in the form of the combining statements in the Supplemental Information section of the CAFR report.

Management Discussion & Analysis

Governmental Fund Revenue

The following schedule presents a summary of governmental fund revenue for the year ended December 31, 2013, with comparison to the prior year:

	2013 Actual	% of Total	2012 Actual	% of Total
<u>Tax Based</u>				
General property	72,018,651	47.6%	71,775,415	48.7%
County option income	13,739,325	9.1%	13,748,824	9.3%
County economic development	8,177,352	5.4%	8,324,878	5.7%
Professional sports development	649,996	0.4%	633,904	0.4%
Community revitalization district	244,623	0.2%	653,185	0.5%
Total Tax	94,829,947	62.7%	95,136,206	64.6%
<u>Non Tax Based</u>				
Licenses and permits	177,019	0.1%	189,714	0.1%
Intergovernmental	29,227,759	19.3%	31,297,526	21.3%
Charge for services	12,320,498	8.2%	12,442,553	8.4%
Fines and forfeitures	660,841	0.4%	334,767	0.2%
Interest income	762,270	0.5%	1,317,443	0.9%
Donations	367,825	0.2%	324,266	0.2%
Other	12,806,315	8.5%	6,336,609	4.3%
Total Non-Tax Based	56,322,527	37.3%	52,242,878	35.4%
Total Revenue	151,152,474	100.0%	147,379,084	100.0%

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 percent 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, or so-called "circuit breaker" property tax caps in 2009 of 1.0 percent (homestead), 2.0 percent (other residential/rental) and 3.0 percent (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 Tax Incremental Financing ("TIF") Funds, and a special levy to cover debt service of the College Football Hall of Fame.

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 non-residents 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 percent during 2009, increasing the tax rate from 0.8 percent to 1.75 percent. The local option income tax increase consisted of three components: 0.2 percent increase in the economic development income tax, a new 0.25 percent public safety local option income tax, and a new 0.5 percent property tax relief local option income tax.

Management Discussion & Analysis

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 legislatively enable alternative revenue sources that best fit the needs of the community. A viable source of revenue is from user fees and/or charges for services currently being performed. City-performed services are priced based 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.

Governmental Fund Expenditures

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

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2013, with comparison to the prior year.

	2013 Actual	% of Total	2012 Actual	% of Total
General government	7,154,965	4.7%	6,390,585	3.9%
Public safety	64,041,549	41.9%	67,138,414	41.3%
Highways & streets	9,769,942	6.4%	9,288,682	5.7%
Economic development	8,068,458	5.3%	3,543,180	2.2%
Culture & recreation	13,956,025	9.1%	18,557,986	11.4%
Debt service	19,121,148	12.5%	17,557,026	10.9%
Capital outlay	30,748,663	20.1%	39,984,127	24.6%
Total Expenditures	152,860,750	100.0%	162,460,000	100.0%

Government fund expenditures in fiscal 2013 of \$152,860,750 decreased by \$9,599,250 or -5.9 percent in comparison to government fund expenditures in fiscal 2012.

Capital outlay expenditures decreased by \$9,235,464 during 2013 due primarily to a change in categorization of economic development projects from tax increment financing (TIF) funds. In addition, there was less spending on general government capital projects from the EDIT fund.

Public Safety expenditures decreased \$3,096,865 or -4.6 percent as less grant funding was available for police and fire programs. Highways and Street expenditures increased by \$481,260 as the curb and sidewalk program was expanded and additional work on street maintenance was performed.

Economic development spending increased \$4,525,278 as a counter-balance to the decreased capital outlay spending noted above, due to a higher qualification threshold for capital expenditure.

Public Safety expenditure continues to be the primary use of government fund resources with 41.9 percent of expenditures used for this purpose in fiscal 2013. Public safety spending is followed by capital outlay expenditures (20.1 percent), debt service (12.5 percent), culture and recreation (9.1 percent), highways and streets (6.4 percent), economic development operating (5.3 percent), and general government (4.7 percent). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, City Attorney, Controller, Engineering, and other administrative offices.

Management Discussion & Analysis

Proprietary funds

Condensed Statement of Net Position Revenue, Expenses, and Changes in Fund Net Position As of December 31, 2013

	Water Utility	Wastewater Utility	Century Center	Other	Total Enterprise	Internal Service
Total assets	76,986,961	195,232,020	18,922,414	13,524,160	304,665,555	15,298,896
Total deferred outflows	132,668	613,689	-	1,125,301	1,871,658	-
Total liabilities	23,722,037	106,123,750	332,759	5,141,133	135,319,679	4,889,811
Total deferred inflows	-	-	527,083	10,277	537,360	-
Net position:						
Capital assets (net of debt)	41,813,616	40,925,619	16,175,602	15,591,415	114,506,252	1,367,470
Restricted for:						
Debt service	3,596,396	11,070,930	-	-	14,667,326	-
Capital outlay	4,181,496	27,454,651	1,757,697	206,494	33,600,338	-
Unrestricted	3,806,084	10,270,759	129,273	(6,299,858)	7,906,258	9,041,615
Total net position	53,397,592	89,721,959	18,062,572	9,498,051	170,680,174	10,409,085
Operating revenues	13,783,701	31,926,078	2,034,509	8,865,981	56,610,269	22,432,997
Operating expenses	14,244,940	17,793,476	4,330,437	8,394,227	44,763,080	22,095,310
Operating income (loss)	(461,239)	14,132,602	(2,295,928)	471,754	11,847,189	337,687
Non-operating rev (exp)	369,048	(7,944,865)	1,432,479	(607,774)	(6,751,112)	30,086
Income (loss) before contributions & transfers	(92,191)	6,187,737	(863,449)	(136,020)	5,096,077	367,773
Capital contributions	-	-	697,917	-	697,917	-
Transfers in	-	-	-	-	-	-
Transfers out	(1,541,755)	(2,775,553)	-	(207,879)	(4,525,187)	-
Change in net position	(1,633,946)	3,412,184	(165,532)	(343,899)	1,268,807	367,773
Total net position – beginning	55,031,538	86,309,775	18,228,104	9,841,950	169,411,367	10,041,312
Total net position – ending	53,397,592	89,721,959	18,062,572	9,498,051	170,680,174	10,409,085

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

The City maintains seven 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 four non-major enterprise funds (Consolidated St. Joseph County/South Bend Building Department, Parking Garage, Solid Waste, and Blackthorn Golf Course) are combined into a single, aggregated presentation.

Management Discussion & Analysis

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, 2013, City enterprise funds reported a net position of \$170,680,174, an increase of \$1,268,807 or 0.7 percent from December 31, 2012.

At December 31, 2013, net position includes capital assets, net of related debt of \$114,506,252, restricted for debt service and capital outlay of \$48,267,664, and unrestricted of \$7,906,258.

During 2013, the Water Works experienced a decrease in net position of \$1,633,946 while the Wastewater Utility experienced an increase of \$3,412,184. The Water Utility experienced decreased revenues of \$406,542 while transmission and distribution/pumping expense rose by \$1,732,197. The Wastewater Utility experienced an increase in revenue of \$962,595 as operating expense dropped by \$930,244. 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.

During 2013, **Century Center** experienced a decrease in net position of \$165,532 as the facility transitioned to a new management company, SMG. SMG also contributed \$575,000 to the facility to provide some much-needed equipment upgrades. The transition occurred on July 1, 2013, and the capital contribution will be amortized to revenue over the course of the initial contract which expires June 30, 2016.

Other Enterprise Funds experienced a decrease in net position of \$343,899 during 2013. The Parking Garage Fund reported a decrease in net position of \$315,057 primarily as the result of the amortization of sales/leaseback charges on the original acquisition. The Blackthorn Golf Course Fund reported an operating gain of \$50,982 as the result of improved golf fee revenue.

As of December 31, 2013, City internal service funds reported a net position of \$10,409,085, an increase of \$367,773 or 3.7 percent compared to 2012. The Liability Insurance fund increased its net position by \$2,746,670 in 2013 as the result of the Bosch payment from the lease agreement noted above. The Central Services fund decreased its net position by \$339,497. The Self-Funded Employee Benefits fund had a decrease its net position of \$2,276,893 due to continually climbing health insurance claims. The City has initiated changes in its health insurance plan design and has an ongoing, active employee wellness program to help control future health insurance costs.

Fiduciary funds

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

	<u>Pension Trust</u>	<u>Private Purpose Trust</u>	<u>Agency</u>
Total assets	2,645,067	36,910	1,638,295
Total liabilities	12,620	-	1,638,295
Total net position	2,632,447	36,910	-
Total Additions	10,908,243	78	-
Total Deductions	11,934,649	4,315	-
Changes in net position	(1,026,406)	(4,237)	-

Management Discussion & Analysis

The net position in the pension trust funds decreased by \$1,026,406 during 2013. The net position in the private purpose trust fund (Cemetery) decreased by \$4,237 as the City initiated a refurbishment program.

Effective in fiscal 2009, with the passage of State legislation, funding responsibility for the **1925 Police** and **1937 Firefighters' Pension Funds** was assumed by the State of Indiana. These funds no longer receive property tax revenue distributions beyond fiscal 2009. The transfer of pension responsibility to the State of Indiana is on a reimbursement basis and will not provide additional revenue to the City for use in other property tax funded areas. The administration of the pension plans remains the responsibility of the City.

The State of Indiana reimbursement is on a year delayed basis, thus reimbursement in fiscal 2013 from the State of Indiana included reimbursement for pension benefits paid by the City in fiscal 2012. In addition, state reimbursement excludes healthcare benefit coverage to pension plan members, which is covered under the City of South Bend pension benefit program and which is paid from the pension trust funds.

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 reimbursement of same from the State of Indiana, as well as the cost of healthcare benefits to pension members, not covered by the state reimbursement program.

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 1st 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 2013 budget at its meeting held in October 2012.

The General Fund budget applicable for fiscal 2013 is reported as follows:

	Original	Final	Actual Budgetary Basis	Variance
Revenue	64,269,461	63,932,287	61,684,651	(2,247,636)
Expenditures	64,223,178	65,091,572	62,469,125	2,622,447
Surplus (deficit)	46,283	(1,159,285)	(784,474)	374,811

General Fund revenue was originally budgeted at \$64,269,461 for fiscal 2013. During the year, the General Fund revenue budget was decreased by \$337,174 to \$63,932,287. The revenue budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget revenue with actual, more meaningful analysis is made possible.

During 2013, the General Fund collected \$61,684,651 in revenue, a deficiency from the final budget level of \$2,247,636. The primary reasons for the revenue shortfall were property tax collections, intergovernmental grants and charges for services revenue that were lower than budgeted.

General Fund expenditures were originally budgeted at \$64,223,178 for fiscal 2013. During the year, the General Fund expenditure budget was increased \$868,394 to \$65,091,572.

Management Discussion & Analysis

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Quarterly 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) are submitted to Common Council at mid-year and year-end, as required to adjust the budget as necessary to prevent any budget overruns in any expense category.

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 incurred on a budgetary basis, including cash expended and outstanding encumbrances as of year-end December 31, 2013, amounted to \$62,469,125. The expenditures and commitments as of year-end December 31, 2013, are less than the 2013 General Fund expenditure budget by \$2,622,447 or 4.0 percent. The largest savings were in the police, fire, city attorney, and administration/finance department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors.

Capital Assets and Debt Administration

	Statement of Capital Assets					
	Governmental Activities		Business type Activities		Government-wide Activities	
	2013	2012	2013	2012	2013	2012
Assets not depreciated						
Land	15,883,485	15,921,386	3,024,582	3,024,582	18,908,067	18,945,968
Construction in progress	-	-	13,925,011	6,647,833	13,925,011	6,647,833
Total	15,883,485	15,921,386	16,949,593	9,672,415	32,833,078	25,593,801
Assets depreciated						
Buildings	130,068,334	127,656,887	82,972,550	82,297,980	213,040,883	209,954,867
Non-building improvements	16,281,242	16,038,868	26,380,406	23,987,898	42,661,648	40,026,766
Machinery & equipment	46,353,978	50,304,539	30,211,994	29,235,757	76,565,972	79,540,296
Roads & Infrastructure	421,539,956	420,291,533	195,443,128	190,938,764	616,983,084	611,230,297
Total Cost	614,243,509	614,291,827	335,008,078	326,460,399	949,251,587	940,752,226
Accumulated depreciation						
Buildings	40,365,200	36,735,257	33,316,084	31,348,151	73,681,284	68,083,408
Non-building improvements	8,031,397	7,370,754	5,728,277	4,659,688	13,759,674	12,030,442
Machinery & equipment	28,077,898	33,647,007	21,578,145	22,162,990	49,656,043	55,809,997
Roads	269,277,787	257,852,591	59,840,599	55,469,771	329,118,386	313,322,362
Total	345,752,282	335,605,609	120,463,105	113,640,600	466,215,387	449,246,209
Net Depreciated Assets	268,491,227	278,686,218	214,544,973	212,819,799	483,036,200	491,506,017
Net Capital Assets	284,374,712	294,607,604	231,494,566	222,492,214	515,869,278	517,099,818

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 \$616,983,084 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.

Management Discussion & Analysis

Major Capital Asset Project Spending in 2013

Improvements		
Water utility improvements	2,107,867	Continued project
East Bank Sewer Separation, Phases 3 & 4	3,197,954	Continued project
Chloride feed system	23,520	Continued project
Wastewater primary clarifier	3,047,919	Continued project
Other Sewer separation projects	5,126,741	Continued project
M&E		
Wastewater M&E	421,010	New projects

Capital Assets Analysis

As of December 31, 2013, Government-wide capital assets were valued at \$515,869,279, net of accumulated depreciation, a decrease of \$1,230,540 or -0.2 percent since December 31, 2012. Construction In Progress increased by \$7,277,178, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$8,507,718, net of depreciation, since December 31, 2012. 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, therefore, was the result of fewer assets being added to the register as those assets that remain continue to depreciate.

At December 31, 2013, the cost of Roads & Infrastructure (\$616,983,084) was the major asset class followed by Buildings (\$213,040,883). Major new acquisitions include completed sewer separation projects (\$4.1 million) and the newly-rebuilt Fire Station #5 (\$1.1 million).

Total depreciation expense for 2013 was \$29,559,898, compared to \$25,827,428 for 2012.

Additional information on capital assets can be found in the notes to the financial statements in Statement Note I.D.6, Capital Asset Capitalization Policy, Statement Note III.C, Capital Asset Activity, and Statement Note III.D, Construction Commitments.

Debt Administration

Outstanding debt principal as of December 31, 2013, was \$248,694,531, a decrease of \$14,630,491 or -5.6 percent. City outstanding debt includes revenue bonds, mortgage bonds, notes and loans payable, and capital leases.

Type	Beginning	Additions	Retirements	Ending
Revenue bonds	214,060,000	18,755,000	(26,210,000)	206,605,000
Mortgage bonds	18,485,000	5,580,000	(1,735,000)	22,330,000
Notes & loans	18,802,540	34,302	(11,685,278)	7,151,564
Capital leases	11,977,482	3,292,737	(2,662,252)	12,607,967
Total Debt	263,325,022	27,662,039	(42,292,530)	248,694,531

During 2013, the City issued the 2013A Sewage Works Revenue Bond in the amount of \$14,765,000 for the purpose of refunding a bond issuance in order to take advantage of a more favorable interest rate environment and lower future debt service payments. This bond is a twenty (20) year issue with maturity in 2033 with debt service coverage from the Sewage Works Bond Sinking fund. The bond issue refunded one revenue bond for \$7,980,000 and one note for \$9,445,000 that financed capital improvements addressing combined sewer overflow issues improving sewage discharge into the St. Joseph River, in compliance with the Environmental Protection Agency ("EPA") consent decree. It was part of a twenty year long-term control plan which will require additional bonding and sewer rate increases.

Management Discussion & Analysis

During 2013, the City refunded a bond issuance in order to take advantage of a more favorable interest rate environment and lower future debt service payments. The City issued bonds in the amount of \$3,990,000 to refinance a 2008 revenue bond for Century Center, saving the City approximately \$1.02 million over the remaining term of the bond. The City also issued the 2013 Building Corporation EMS Fire Station/Tower Bonds in the amount of \$5,580,000 to finance the new fire department training facility.

During 2013, the City entered into capital lease agreements in the amount of \$3,292,737 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. Of the \$3.292 million, \$3.196 million were to acquire police cars and other vehicles needed by various City departments; the remaining \$81,806 was used to lease office equipment such as copiers. The City solicits competitive financing proposals for lease financing from local and national companies.

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 percent of total assessed value of real and personal property. The City had no general obligation bonded debt outstanding at December 31, 2013, and none of the above debt issuance amounts are subject to this debt limitation.

In 2014, the City anticipates issuing additional debt for sewer improvement and fire department projects and plans to continue issuing refunding bonds as appropriate to take advantage of lower interest rates. In April 2014, the City approved issuance of refunding bonds in an amount not to exceed \$3,700,000 to refinance its 2002 Redevelopment Special Taxing District bonds for the remaining 8 years of their original 20-year lives..

Additional information on debt can be found in the notes to the financial statements in Statement Note I.D.8, Long-Term Obligations, Statement Note III.F.2, Capital Lease Obligations, Statement Note III.G.5, Long-Term Liabilities, and Statement Note IV.C, Conduit Debt.

A calculation of the City's legal debt limitation can be found in the statistical debt capacity section of this document.

Economic Factors and 2015 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 of 2008. House Enrolled Act 1001 (HEA 1001) which limits property taxes paid to 1 percent of gross assessed value for residential homesteads, 2 percent for agricultural/rental properties, and 3 percent for all other real and personal property.

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

This legislation (known as "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 2009.

In 2013, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$26 million dollars in taxable property tax levy due to the circuit breaker caps.

Management Discussion & Analysis

As a consequence of the state enacted legislation in 2008, the City enacted a 0.95 percent 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, code enforcement, highways and streets, and general government.

Management of the City of South Bend will continue to manage the financial affairs from a posture of fiscal conservatism similar to the management practices engaged during fiscal 2013.

City Management believes that the national economic recovery will continue according to the predictions of governmental economists, with low to no inflation over the next fiscal period. In addition, job creation is the primary engine to drive economic recovery.

2015 Budget

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.

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, 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 2015 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 2015 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.

Current Economic Development Projects

Executive management of the City of South Bend continues to pursue economic development and public works opportunities that will have long-term favorable impact on the economic prospects for the community as a whole. These projects include:

- **Ignition Park** - Along with Innovation Park at Notre Dame, these two sites are Indiana's first dual-site, state-certified technology park. Transpo, the county's public transportation authority, was the first tenant in Ignition Park and dedicated its new facility in early 2010. The second tenant in Ignition Park, Data Realty, is a 50,000 square foot colocation, cloud services data center, with disaster recovery solutions and a managed analytics platform. Data Realty employs over 20 employees and committed over \$15 million in private investment.
- **Renaissance District/Ivy Tower** - Rehabilitation of an 800,000 square foot industrial space near downtown to create an expected 400 new jobs through a mixed use space to include data centers, high tech office space, and research facilities. The owner of this property has committed \$10 million in private investment over a 10 year period.
- **Triangle Development** - Planned construction of 55 new single family residential properties in the Triangle area adjacent to the existing new Eddy Street Commons commercial development, creating a diverse new neighborhood in the City's northeast sector. Eleven new homes are underway, with many more in the planning stages. 70 percent of the lots are being sold at market rate and 30 percent are reserved for income-eligible buyers. Six million dollars in private investment will transform this neighborhood.

Management Discussion & Analysis

- **Western Ave./Lincolnway West Business Corridors** - The Department of Community Investment is working with citizens and stakeholders in the design and implementation of new streetscapes along these streets with the intention of attracting new business development to the west side of the City.
- **2-Way Streets** - The City will be undertaking the reversion of some of its downtown streets from 1-way to 2-way over the course of the next couple of years. This type of activity has proven to be very successful in other cities at attracting business and residential growth in city centers.
- **Workforce Strategy** - The Department of Community Investment is preparing a workforce training initiative to coordinate those who offer workforce training into a single council. This council will focus its training efforts in areas of greatest need and growth, and will include measurable goals and assessment factors. The council has identified and implemented a program to offer training in "deconstruction" - the process of recovering useful materials from buildings slated for demolition.
- **Existing Business Expansions** - The City continues to work with private sector business concerns to enable expansion of their business operations in the City, adding new employment opportunities and tax base to the City. Tax abatements in 2012 are expected to result in \$41,411,500 of new investment and add 83 jobs with an annual payroll of \$4,921,000.

Requests for Information

This Management Discussion & 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, 2013. 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, 12th Floor
South Bend, Indiana 46601

Telephone 574-235-9216
Facsimile 574-235-9928

Email jmurphy@southbendin.gov

City of South Bend
May 8, 2014

CITY OF SOUTH BEND
STATEMENT OF NET POSITION
December 31, 2013

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and cash equivalents	\$ 46,756,222	\$ 4,766,303	\$ 51,522,525
Cash with fiscal agent	50,162	-	50,162
Investments	126,656,282	9,426,151	136,082,433
Receivables (net of allowances for uncollectibles):			
Interest	189,677	16,422	206,099
Taxes	3,806,157	-	3,806,157
Accounts	948,234	3,626,627	4,574,861
Intergovernmental	802,771	-	802,771
Loans	7,694,684	-	7,694,684
Internal balances	1,725,261	(1,725,261)	-
Inventories	943,844	342,916	1,286,760
Prepaid expense	347,271	66,594	413,865
Restricted assets:			
Cash and cash equivalents	6,158,300	20,661,402	26,819,702
Cash with fiscal agent	-	628,472	628,472
Investments	2,967,526	33,550,935	36,518,461
Interest receivable	4,118	49,618	53,736
Taxes	6,349	-	6,349
Property held for resale	18,974,080	-	18,974,080
Capital assets:			
Land and construction in progress	15,883,485	16,949,593	32,833,078
Other capital assets, net of depreciation	268,481,227	214,544,973	483,036,200
Total assets	502,405,650	302,904,745	805,310,395
Deferred outflows of resources:			
Unamortized loss on refunding	-	746,357	746,357
Unamortized loss on sale/leaseback	-	1,125,301	1,125,301
Total deferred outflows of resources	-	1,871,658	1,871,658

The notes to the financial statements are an integral part of this statement.

(Continued on next page)

CITY OF SOUTH BEND
STATEMENT OF NET POSITION
December 31, 2013
(Continued)

Liabilities	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Accounts payable	5,912,699	929,559	6,842,258
Accrued payroll payable	2,372,712	560,351	2,933,063
Unearned revenue	-	8,241	8,241
Taxes payable	2,678	43,398	46,076
Customer deposits	247,198	182,522	429,720
Accrued interest payable	839,166	-	839,166
Estimate of unfilled claims	2,891,134	-	2,891,134
Other current payables	18,172	-	18,172
Payable from restricted assets:			
Accounts payable	-	2,374,695	2,374,695
Contracts payable	-	474,016	474,016
Customer deposits	-	1,452,855	1,452,855
Accrued interest payable	1,158,368	295,469	1,453,837
Noncurrent liabilities:			
Due within one year:			
Mortgage bonds payable	1,580,425	64,575	1,645,000
Compensated absences	3,892,728	615,884	4,508,612
Revenue bonds payable	7,950,000	6,910,000	14,860,000
Capital lease obligations	2,115,937	1,003,006	3,118,943
Notes and loans payable	1,608,064	326,346	1,934,410
Due in more than one year:			
Mortgage bonds payable (net of discounts or premiums)	21,499,356	487,027	21,986,383
Compensated absences	1,292,184	-	1,292,184
Revenue bonds payable (net of discounts or premiums)	82,222,826	111,208,539	193,431,365
Capital lease obligations	6,661,301	2,827,722	9,489,023
Notes and loans payable	1,422,490	3,794,664	5,217,154
Net other postemployment benefits obligation	8,300,677	-	8,300,677
Net pension obligation	63,258,306	-	63,258,306
Total liabilities	215,246,421	133,558,869	348,805,290
Deferred inflows of resources:			
Unamortized gain on refunding	565,384	-	565,384
Unamortized Service Agreement	-	527,083	527,083
Unamortized gain on sale/leaseback	-	10,277	10,277
Total deferred inflows of resources	565,384	537,360	1,102,744
Net Position			
Investment in capital assets	192,190,446	114,506,252	306,696,698
Restricted for:			
Debt service	7,990,172	14,667,326	22,657,498
Capital outlay	-	33,600,338	33,600,338
Unrestricted	86,413,227	7,906,258	94,319,485
Total net position	\$ 286,593,845	\$ 170,680,174	\$ 457,274,019

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 13,200,898	\$ 1,939,865	\$ 146,650	\$ 1,452,802	\$ (9,661,581)	\$ -	\$ (9,661,581)
Public safety	76,023,819	5,210,272	11,209,299	-	(59,604,248)	-	(59,604,248)
Highways and streets	20,915,815	451,363	4,924,283	-	(15,540,169)	-	(15,540,169)
Economic development	26,846,471	444,839	4,566,550	398,500	(21,436,582)	-	(21,436,582)
Culture and recreation	10,069,690	5,112,019	619,840	15,911	(4,321,920)	-	(4,321,920)
Interest on long-term debt	5,981,124	-	-	-	(5,981,124)	-	(5,981,124)
Total governmental activities	153,017,817	13,158,358	21,466,622	1,867,213	(116,525,624)	-	(116,525,624)
Business-type activities:							
Water	15,221,865	15,102,461	-	-	-	(119,404)	(119,404)
Wastewater	26,390,790	32,474,743	-	-	-	6,083,953	6,083,953
Civic center	4,330,656	3,463,813	-	697,917	-	(168,926)	(168,926)
Building department	1,131,815	967,667	-	-	-	(164,148)	(164,148)
Parking	1,285,056	968,888	-	-	-	(316,188)	(316,188)
Solid waste	5,091,588	5,399,044	-	-	-	307,456	307,456
Golf course	1,497,513	1,530,402	-	-	-	32,889	32,889
Total business-type activities	54,949,283	59,906,998	-	697,917	-	5,655,632	5,655,632
Total primary government	\$ 207,967,100	\$ 73,065,356	\$ 21,466,622	\$ 2,565,130	(116,525,624)	5,655,632	(110,869,992)
General revenues:							
Property taxes					72,018,650	-	72,018,650
County option income tax					13,739,325	-	13,739,325
Economic development income tax					8,177,352	-	8,177,352
Professional sports development tax					649,996	-	649,996
Community revitalization enhancement district tax					244,623	-	244,623
Grants and contributions not restricted to specific programs					5,893,924	-	5,893,924
Unrestricted investment earnings					762,269	138,362	900,631
Other					14,285,314	-	14,285,314
Transfers					4,525,187	(4,525,187)	-
Total general revenues and transfers					120,296,640	(4,386,825)	115,909,815
Change in net position					3,771,016	1,268,807	5,039,823
Net position - beginning (restated)					282,822,829	169,411,367	452,234,196
Net position - ending					\$ 286,593,845	\$ 170,680,174	\$ 457,274,019

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2013

Assets	General	Park and Recreation	Public Safety LOIT	COIT	EDIT	TIF Airport	Other Nonmajor Governmental Funds	Totals
Cash and cash equivalents	\$ 7,088,418	\$ 1,084,386	\$ 517,885	\$ 3,798,556	\$ 2,763,011	\$ 6,376,137	\$ 27,947,211	\$ 49,575,604
Cash with fiscal agent	-	-	-	-	-	-	50,162	50,162
Investments	21,222,360	3,163,455	1,510,814	11,081,441	8,060,469	18,600,958	56,319,954	119,959,451
Receivables (net of allowances for uncollectibles):								
Interest	30,330	4,519	2,165	15,970	11,599	26,767	88,517	179,867
Taxes	200,045	35,531	-	-	-	1,171,564	2,405,366	3,812,506
Accounts	475,847	4,284	-	1,920	-	-	426,700	908,751
Intergovernmental	-	-	-	-	-	-	802,771	802,771
Loans	-	-	-	-	-	-	7,694,684	7,694,684
Interfund receivable:								
Interfund services provided and used	15,877	11,778	-	-	-	-	1,710	29,365
Inventories	-	84,308	-	-	-	-	-	84,308
Advances to other funds	656,848	-	-	2,027,973	-	1,742,115	6,412,837	10,839,773
Property held for resale	-	-	-	569,499	449,831	8,756,317	9,198,433	18,974,080
Total assets	\$ 29,689,725	\$ 4,388,261	\$ 2,030,864	\$ 17,495,359	\$ 11,284,910	\$ 36,673,858	\$ 111,348,345	\$ 212,911,322
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 309,592	\$ 68,957	\$ -	\$ 696,591	\$ 119,988	\$ 102,797	\$ 2,844,159	\$ 4,142,084
Accrued payroll payable	1,494,589	227,793	235,645	-	-	-	213,184	2,171,211
Interfund payable:								
Interfund services provided and used	18,310	3,265	-	-	-	5,008	20,423	47,006
Taxes payable	407	2,271	-	-	-	-	-	2,678
Performance deposits payable	196,164	-	-	-	-	51,034	-	247,198
Other current payables	1,750	557	-	-	-	-	15,865	18,172
Advances from other funds	-	-	-	-	-	500,000	8,597,658	9,097,658
Total liabilities	2,020,812	302,843	235,645	696,591	119,988	658,839	11,691,289	15,726,007
Fund balances:								
Nonspendable:								
Inventory	-	84,308	-	-	-	-	-	84,308
Property held for resale	-	-	-	569,499	449,831	8,756,317	9,198,433	18,974,080
Advances to other funds	656,848	-	-	2,027,973	-	1,742,115	-	4,426,936
Restricted	-	4,001,110	1,795,219	-	-	25,516,587	64,074,963	95,387,879
Committed	-	-	-	-	-	-	20,697,026	20,697,026
Assigned	531,959	-	-	14,201,296	10,715,091	-	10,538,803	35,987,149
Unassigned	26,480,106	-	-	-	-	-	(4,852,169)	21,627,937
Total fund balances	27,668,913	4,085,418	1,795,219	16,798,768	11,164,922	36,015,019	99,657,056	197,185,315
Total liabilities and fund balances	\$ 29,689,725	\$ 4,388,261	\$ 2,030,864	\$ 17,495,359	\$ 11,284,910	\$ 36,673,858	\$ 111,348,345	

The notes to the financial statements are an integral part of this statement.

(Continued on next page)

CITY OF SOUTH BEND
BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2013
(Continued)

	Totals
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	282,995,172
Prepaid expenses are not available to pay for current period expenditures and, therefore are deferred in the funds.	347,271
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	10,409,085
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences payable	(1,292,184)
Deferred charge on refunding (to be amortized as interest expense)	(565,384)
Bonds payable	(110,585,645)
Less: Issuance discount or (premium) (to be amortized as interest expense)	(2,666,962)
Capital leases payable	(8,765,168)
Notes payable	(3,030,554)
Net other postemployment benefits obligation	(8,300,677)
Net pension obligation	(63,258,306)
Short-term liabilities that are not recognized in governmental funds until due:	
Accrued interest payable	(1,997,397)
Compensated absences payable	(3,880,721)
	\$ 286,593,845
Net position of governmental activities	

CITY OF SOUTH BEND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	General	Park and Recreation	Public Safety LOIT	COIT	EDIT	TIF Airport	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes								
Property	\$ 35,767,912	\$ 7,110,505	\$ -	\$ -	\$ -	\$ 14,490,282	\$ 14,649,952	\$ 72,018,651
County option income	-	-	5,892,386	7,846,939	-	-	-	13,739,325
County economic development income	-	-	-	-	8,177,352	-	-	8,177,352
Professional sports development tax	-	-	-	-	-	-	649,996	649,996
Community revitalization enhancement district	-	-	-	-	-	-	244,623	244,623
Licenses and permits	177,019	-	-	-	-	-	-	177,019
Intergovernmental	15,223,844	619,840	-	-	-	-	13,384,075	29,227,759
Charges for services	3,376,541	3,032,837	-	503,028	150,000	-	5,258,092	12,320,498
Fines and forfeits	220,444	5,150	-	-	354,660	-	80,587	660,841
Interest	37,880	5,082	3,054	27,384	17,471	30,736	640,683	762,270
Donations	287,822	800	-	42,900	-	-	36,303	367,825
Sale of property	-	6,302	-	-	-	1,673	35,977	43,952
Other	4,942,966	146,767	-	1,239	69,965	2,386,278	5,215,148	12,762,363
Total revenues	60,034,428	10,927,283	5,895,440	8,421,470	8,769,448	16,908,969	40,195,436	151,152,474
Expenditures:								
Current:								
General government	6,605,015	-	-	-	-	-	549,950	7,154,965
Public safety	63,179,341	-	235,645	-	-	-	626,563	64,041,549
Highways and streets	1,381,498	-	-	-	-	-	8,388,444	9,769,942
Economic development	-	-	-	-	-	-	8,068,458	8,068,458
Culture and recreation	1,314,196	11,750,558	-	-	-	-	891,271	13,956,025
Debt service:								
Principal	15,285	289,849	-	852,887	720,000	1,862,500	9,267,584	13,008,105
Interest and fiscal charges	2,081	17,531	-	593,515	155,214	276,127	4,748,566	5,793,034
Debt issue costs	-	-	-	-	-	-	320,009	320,009
Capital outlay:								
General government	-	-	-	4,769,037	1,434,044	-	737	6,203,818
Public safety	-	-	-	1,040,226	-	-	8,752,702	9,792,928
Highways and streets	-	-	-	-	-	-	1,839,121	1,839,121
Economic development	-	-	-	4,411	210,776	4,348,235	7,685,071	12,248,493
Culture and recreation	-	-	-	339,333	-	-	324,970	664,303
Total expenditures	72,497,416	12,057,938	235,645	7,599,409	2,520,034	6,486,862	51,463,446	152,860,750
Excess (deficiency) of revenues over (under) expenditures	(12,462,988)	(1,130,655)	5,659,795	822,061	6,249,414	10,422,107	(11,268,010)	(1,708,276)
Other financing sources (uses):								
Transfers in	12,044,166	696,009	683,303	-	-	211,047	12,730,714	26,365,239
Transfers out	(744,364)	(209,824)	(7,540,389)	(1,807,098)	(5,456,519)	(1,233,000)	(4,848,858)	(21,840,052)
Debt issuance	37,016	16,130	-	-	-	-	7,748,309	7,801,455
Premium on debt issuance	-	-	-	-	-	-	21,576	21,576
Issuance of refunding bonds	-	-	-	-	-	-	3,990,000	3,990,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	(4,376,769)	(4,376,769)
Total other financing sources and uses	11,336,818	502,315	(6,857,086)	(1,807,098)	(5,456,519)	(1,021,953)	15,264,972	11,961,449
Net change in fund balances	(1,126,170)	(628,340)	(1,197,291)	(985,037)	792,895	9,400,154	3,996,962	10,253,173
Fund balances - beginning (restated)	28,795,083	4,713,758	2,992,510	17,783,805	10,372,027	26,614,865	95,660,094	186,932,142
Fund balances - ending	\$ 27,668,913	\$ 4,085,418	\$ 1,795,219	\$ 16,798,768	\$ 11,164,922	\$ 36,015,019	\$ 99,657,056	\$ 197,185,315

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances). \$ 10,253,173

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	9,371,671
Depreciation expense	(19,714,555)
Loss on disposal of assets	(309,187)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Long-term debt incurred during the current period:	
Bonds	(5,580,000)
Refunding bonds	(3,990,000)
Premium on bonds	(21,579)
Loans	-
Capital leases	(2,240,007)
Principal debt payments:	
Bonds	9,287,885
Loans	1,923,085
Capital leases	1,798,889
Payment to refunded bond escrow agent	4,376,769
Amortization expenses	(97,529)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Prepaid expense	93,018
Interest expense	354,222
Compensated absences	(182,988)
Change in net pension asset and net pension obligation	(1,919,624)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

367,773

Change in net position of governmental activities (Statement of Activities) \$ 3,771,016

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
December 31, 2013

Assets	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water Utility	Wastewater Utility	Century Center	Other Nonmajor Enterprise Funds	Totals	Internal Service Funds
Current assets:						
Cash and cash equivalents	\$ 894,427	\$ 1,856,767	\$ 903,475	\$ 1,111,634	\$ 4,766,303	\$ 3,338,918
Investments	2,609,292	5,416,704	-	1,400,155	9,426,151	9,664,357
Interest receivable	15,137	-	-	1,285	16,422	13,927
Accounts receivable (net of allowance)	796,971	2,158,717	72,070	441,634	3,469,392	38,483
Accounts receivable - other	52,558	104,677	-	-	157,235	-
Interfund receivables:						
interfund services provided and used	20,906	8,383	6,260	-	35,549	3,135
Inventories	157,480	163,398	-	22,038	342,916	859,536
Prepaid items	22,270	37,014	7,310	-	66,594	-
Restricted assets:						
Cash and cash equivalents:						
Repair fund	-	347,525	-	-	347,525	-
Customer deposits	370,236	-	-	-	370,236	-
Revenue bond covenant accounts	938,824	8,325,406	-	-	9,264,230	-
Capital outlay accounts	1,107,117	7,696,156	1,757,697	118,441	10,679,411	-
Cash with fiscal agent	-	76,130	-	552,342	628,472	-
Investments:						
Repair fund	-	1,013,826	-	-	1,013,826	-
Customer deposits	1,080,080	-	-	-	1,080,080	-
Revenue bond covenant accounts	2,657,572	3,029,819	-	-	5,687,391	-
Capital outlay accounts	3,229,767	22,451,818	-	88,053	25,769,638	-
Interest receivable	-	49,618	-	-	49,618	-
Total current assets	13,952,637	52,735,958	2,746,812	3,735,582	73,170,989	13,919,356
Noncurrent assets:						
Capital assets:						
Land and construction in progress	2,484,818	12,181,352	702,934	1,580,489	16,949,593	-
Other capital assets (net of accumulated depreciation)	60,549,506	130,314,710	15,472,668	8,208,089	214,544,973	1,379,540
Total noncurrent assets	63,034,324	142,496,062	16,175,602	9,788,578	231,494,566	1,379,540
Total assets	76,986,961	195,232,020	18,922,414	13,524,160	304,665,555	15,298,896
Deferred outflows of resources:						
Unamortized loss on refunding	132,668	613,689	-	-	746,357	-
Unamortized loss on sale/leaseback	-	-	-	1,125,301	1,125,301	-
Total deferred outflows of resources	132,668	613,689	-	1,125,301	1,871,658	-

The notes to the financial statements are an integral part of this statement.

(Continued on next page)

CITY OF SOUTH BEND
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
December 31, 2013
(Continued)

Liabilities	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water Utility	Wastewater Utility	Century Center	Other Enterprise Funds	Totals	Internal Service Funds
Current liabilities:						
Accounts payable	431,541	10,042	166,236	321,740	929,559	1,770,615
Interfund payables:						
Interfund services provided and used	9,050	2,289	-	7,356	18,695	2,348
Accrued payroll payable	189,227	239,037	21,438	110,649	560,351	201,501
Compensated absences payable	196,516	257,748	-	161,620	615,884	12,007
Unearned revenue	8,241	-	-	-	8,241	-
Taxes payable	43,398	-	-	-	43,398	-
Performance deposits payable	-	-	-	37,437	37,437	-
Customer deposits	-	-	145,085	-	145,085	-
Capital leases payable	-	-	-	-	-	5,802
Interest payable	-	-	-	-	-	136
Estimate of unfiled claims	-	-	-	-	-	2,891,134
Current liabilities payable from restricted assets:						
Accounts payable	-	2,374,695	-	-	2,374,695	-
Contracts and retainage payable	155,388	318,628	-	-	474,016	-
Customer deposits	1,452,855	-	-	-	1,452,855	-
Mortgage bonds payable	-	64,575	-	-	64,575	-
Revenue bonds payable	1,105,000	5,805,000	-	-	6,910,000	-
Capital leases payable	2,698	233,457	-	766,851	1,003,006	-
Notes and loans payable	176,835	149,511	-	-	326,346	-
Accrued interest payable	-	284,295	-	11,174	295,469	-
Total current liabilities	<u>3,770,749</u>	<u>9,739,277</u>	<u>332,759</u>	<u>1,416,827</u>	<u>15,259,612</u>	<u>4,883,543</u>
Noncurrent liabilities:						
Advances from other funds	-	-	-	1,742,115	1,742,115	-
Mortgage bonds payable (net of unamortized discount)	-	487,027	-	-	487,027	-
Revenue bonds payable (net of unamortized discounts, and premiums)	18,705,596	92,502,943	-	-	111,208,539	-
Capital leases payable	12,415	833,116	-	1,982,191	2,827,722	6,268
Notes and loans payable	1,233,277	2,561,387	-	-	3,794,664	-
Total noncurrent liabilities	<u>19,951,288</u>	<u>96,384,473</u>	<u>-</u>	<u>3,724,306</u>	<u>120,060,067</u>	<u>6,268</u>
Total liabilities	<u>23,722,037</u>	<u>106,123,750</u>	<u>332,759</u>	<u>5,141,133</u>	<u>135,319,679</u>	<u>4,889,811</u>
Deferred inflows of resources:						
Unamortized service agreement	-	-	527,083	-	527,083	-
Unamortized gain on sale/leaseback	-	-	-	10,277	10,277	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>527,083</u>	<u>10,277</u>	<u>537,360</u>	<u>-</u>
<u>Net Position</u>						
Investment in capital assets	41,813,616	40,925,619	16,175,602	15,591,415	114,506,252	1,367,470
Restricted for debt service	3,596,396	11,070,930	-	-	14,667,326	-
Restricted for capital outlay	4,181,496	27,454,651	1,757,697	206,494	33,600,338	-
Unrestricted	3,806,084	10,270,759	129,273	(6,299,858)	7,906,258	9,041,615
Total net position	<u>\$ 53,397,592</u>	<u>\$ 89,721,959</u>	<u>\$ 18,062,572</u>	<u>\$ 9,498,051</u>	<u>\$ 170,680,174</u>	<u>\$ 10,409,085</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds				Governmental	
	Water Utility	Wastewater Utility	Century Center	Other Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues:						
Metered revenue:						
Residential	\$ 6,527,228	\$ 19,414,745	\$ -	\$ -	\$ 25,941,973	\$ -
Commercial	3,315,238	6,871,803	-	-	10,187,041	-
Industrial	318,555	4,299,896	-	-	4,618,451	-
Fire protection revenue	1,961,037	-	-	-	1,961,037	-
Leak insurance revenue	956,921	-	-	-	956,921	-
Penalties	134,372	682,471	-	-	816,843	-
Convention fees	-	-	1,923,625	-	1,923,625	-
Licenses and permits	-	-	-	964,240	964,240	-
Parking fees	-	-	110,884	948,722	1,059,606	-
Solid waste fees	-	-	-	4,800,454	4,800,454	-
Golf course fees	-	-	-	1,530,402	1,530,402	-
Employee/employer contributions	-	-	-	-	-	15,221,383
Charges for sales and services	-	-	-	-	-	7,199,304
Other	570,350	657,163	-	622,163	1,849,676	12,310
Total operating revenues	13,783,701	31,926,078	2,034,509	8,865,981	56,610,269	22,432,997
Operating expenses:						
Source of supply and expense/collection system expense - operations and maintenance	1,143,558	4,496,044	-	-	5,639,602	-
Transmission and distribution/pumping expense - operations and maintenance	5,621,388	5,591,192	-	-	11,212,580	-
Treatment and disposal expense - operations and maintenance	2,155,898	-	-	-	2,155,898	-
Operations and maintenance	-	-	-	6,679,325	6,679,325	7,242,586
Customer accounts	1,518,372	194,012	-	-	1,712,384	-
Administration and general	1,880,791	1,245,306	3,566,567	941,065	7,633,729	1,033,318
Insurance claims and premiums	-	-	-	-	-	13,703,625
Depreciation	1,924,933	6,266,922	763,870	773,837	9,729,562	115,781
Total operating expenses	14,244,940	17,793,476	4,330,437	8,394,227	44,763,080	22,095,310
Operating income (loss)	(461,239)	14,132,602	(2,295,928)	471,754	11,847,189	337,687

The notes to the financial statements are an integral part of this statement.

(Continued on next page)

CITY OF SOUTH BEND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
For the Year Ended December 31, 2013
(Continued)

	Business-Type Activities - Enterprise Funds				Totals	Governmental
	Water Utility	Wastewater Utility	Century Center	Other Nonmajor Enterprise Funds		Internal Service Funds
Nonoperating revenues (expenses):						
Interest and investment revenue	27,213	103,784	3,394	3,971	138,362	28,690
Hotel/motel tax	-	-	1,313,436	-	1,313,436	-
Professional sports development tax	-	-	100,000	-	100,000	-
Repair fund revenues	-	548,665	-	-	548,665	-
Management fees	1,196,379	(1,029,948)	-	-	166,431	-
Miscellaneous revenue	122,381	-	15,868	-	138,249	-
Interest expense	(863,417)	(6,759,042)	-	(51,405)	(7,673,864)	1,396
Amortization expense	-	(410,190)	-	(560,340)	(970,530)	-
Repair fund expenses	-	(316,855)	-	-	(316,855)	-
Debt issue costs	(1,200)	(81,279)	-	-	(82,479)	-
Gain (loss) on disposition of assets	(112,308)	-	(219)	-	(112,527)	-
Total nonoperating revenue (expenses)	369,048	(7,944,865)	1,432,479	(607,774)	(6,751,112)	30,086
Income (loss) before contributions and transfers	(92,191)	6,187,737	(863,449)	(136,020)	5,096,077	367,773
Capital contributions	-	-	697,917	-	697,917	-
Transfers out	(1,541,755)	(2,775,553)	-	(207,879)	(4,525,187)	-
Change in net position	(1,633,946)	3,412,184	(165,532)	(343,899)	1,268,807	367,773
Total net position - beginning	55,031,538	86,309,775	18,228,104	9,841,950	169,411,367	10,041,312
Total net position - ending	<u>\$ 53,397,592</u>	<u>\$ 89,721,959</u>	<u>\$ 18,062,572</u>	<u>\$ 9,498,051</u>	<u>\$ 170,680,174</u>	<u>\$ 10,409,085</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Other Nonmajor Enterprise Funds	Totals	Internal Service Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ 13,965,625	\$ 32,349,700	\$ 2,090,850	\$ 8,873,110	\$ 57,279,285	\$ 15,576,448
Receipts from interfund services provided	1,175,473	-	(6,260)	-	1,169,213	7,669,757
Payments to suppliers	(7,881,524)	(5,666,204)	(1,669,720)	(3,917,031)	(19,134,479)	(21,951,309)
Payments to employees	(4,027,818)	(6,383,973)	(1,830,977)	(3,139,356)	(15,382,124)	(2,470,846)
Payments for interfund services used	(16,407)	(447,151)	-	(438,773)	(902,331)	439
Net cash provided (used) by operating activities	<u>3,215,349</u>	<u>19,852,372</u>	<u>(1,418,107)</u>	<u>1,377,950</u>	<u>23,029,564</u>	<u>(1,175,511)</u>
Cash flows from noncapital financing activities:						
Interfund loan repaid	-	-	-	(10,759)	(10,759)	-
Hotel/motel tax	-	-	1,313,436	-	1,313,436	-
Professional sports development tax	-	-	100,000	-	100,000	-
Transfer to other funds	(1,541,755)	(2,775,553)	-	(207,879)	(4,525,187)	-
Net cash provided (used) by noncapital financing activities	<u>(1,541,755)</u>	<u>(2,775,553)</u>	<u>1,413,436</u>	<u>(218,638)</u>	<u>(3,122,510)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Capital contributions	-	-	1,225,000	-	1,225,000	-
Acquisition and construction of capital assets	(3,029,294)	(16,935,904)	(741,940)	(2,179,742)	(22,885,880)	(94,966)
Proceeds from capital debt issued	15,113	15,032,138	-	804,780	15,852,031	18,552
Debt issue costs paid	-	(81,279)	-	-	(81,279)	-
Principal paid on capital debt	(1,244,314)	(22,754,157)	-	(1,294,200)	(25,292,671)	(1,754)
Interest paid on capital debt	(983,588)	(4,028,660)	-	(60,467)	(5,072,713)	(42)
Net cash provided (used) by capital and related financing activities	<u>(5,242,081)</u>	<u>(28,767,862)</u>	<u>483,060</u>	<u>(2,729,629)</u>	<u>(36,256,512)</u>	<u>(78,210)</u>
Cash flows from investing activities:						
Investments sold	2,952,956	3,931,880	-	352,502	7,237,338	411,329
Investments purchased	(2,336,417)	(3,542,652)	-	(252,042)	(6,131,111)	(1,247,926)
Interest received	32,046	93,297	3,394	5,158	133,895	27,389
Net cash provided (used) by investing activities	<u>648,585</u>	<u>482,525</u>	<u>3,394</u>	<u>105,618</u>	<u>1,240,122</u>	<u>(809,208)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,919,902)</u>	<u>(11,208,518)</u>	<u>483,783</u>	<u>(1,464,599)</u>	<u>(15,109,336)</u>	<u>(2,062,929)</u>
Cash and cash equivalents, January 1 (Including \$439,073, \$533,295, \$13,012,942, and \$21,107,576 for the repair fund, customer deposits, revenue bond covenants and capital outlays, respectively, reported in restricted accounts)	<u>6,230,506</u>	<u>29,510,502</u>	<u>2,177,389</u>	<u>3,247,116</u>	<u>41,165,513</u>	<u>5,401,847</u>
Cash and cash equivalents, December 31 (Including \$347,525, \$370,236, \$9,264,230, and \$10,679,411 for the repair fund, customer deposits, revenue bond covenants and capital outlays, respectively, reported in restricted accounts)	<u>\$ 3,310,604</u>	<u>\$ 18,301,984</u>	<u>\$ 2,661,172</u>	<u>\$ 1,782,417</u>	<u>\$ 26,056,177</u>	<u>\$ 3,338,918</u>

The notes to the financial statements are an integral part of this statement.

(Continued on next page)

CITY OF SOUTH BEND
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended December 31, 2013
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water Utility	Wastewater Utility	Century Center	Other Nonmajor Enterprise Funds	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (461,239)	\$ 14,132,602	\$ (2,295,928)	\$ 471,754	\$ 11,847,189	\$ 337,687
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	1,924,933	6,266,922	763,870	773,837	9,729,562	115,781
Bad debt expense	90,650	194,012	-	75,204	359,866	-
Nonoperating revenues (expenses)	1,459,446	(798,138)	15,868	-	677,176	-
Lease proceeds used for non capital purchases	15,113	-	-	-	15,113	-
(increase) decrease in assets:						
Accounts receivable	(53,953)	(320,670)	14,585	(72,407)	(432,445)	275,321
Accounts receivable - other	(21,315)	1,615	-	-	(19,700)	-
Interfund receivables	(20,906)	(8,383)	(6,260)	4,333	(31,216)	536,272
Inventories	(6,883)	(9,961)	-	(3,965)	(20,809)	(56,996)
Prepaid items	(17,126)	(26,347)	13,982	-	(29,491)	-
Increase (decrease) in liabilities:						
Customer deposits	44,161	-	25,888	-	70,049	-
Accounts payable	114,887	198,504	30,450	84,396	428,237	406,097
Contracts payable	155,388	272,108	-	-	427,496	-
Accrued payroll payable	(1,312)	28,140	21,438	33,052	81,318	116,016
Interfund payables	(16,407)	(87,220)	-	(47,928)	(151,555)	2,054
Compensated absence payable	9,723	9,188	-	59,674	78,585	(114,401)
Taxes payable	189	-	-	-	189	-
Estimated unfilled claims	-	-	-	-	-	(2,793,342)
Total adjustments	<u>3,676,588</u>	<u>5,719,770</u>	<u>879,821</u>	<u>906,196</u>	<u>11,182,375</u>	<u>(1,513,198)</u>
Net cash provided (used) by operating activities	<u>\$ 3,215,349</u>	<u>\$ 19,852,372</u>	<u>\$ (1,416,107)</u>	<u>\$ 1,377,950</u>	<u>\$ 23,029,564</u>	<u>\$ (1,175,511)</u>
Noncash investing, capital and financing activities:						
Capital asset disposals	\$ 960,473	\$ -	\$ -	\$ -	\$ 960,473	\$ -
Completed project transferred to capital assets	337,023	-	150,000	-	487,023	-

On April 25, 2013, the City of South Bend - Wastewater Utility issued \$14,765,000 in refunding revenue bonds to refund \$17,425,000 of outstanding bonds (\$9,445,000 of 1998 State Revolving Loans and \$7,980,000 of 2004 Sewage works Revenue Bonds). The net proceeds of \$14,683,935 (after payment of \$81,065 in issuance costs) and local contributions of \$3,515,459 were deposited in an irrevocable trust with an escrow agent. The accounting loss of \$631,980 has been recognized on the Statement of Net Position as Deferral of Loss on Refunding and will be amortized using the straight-line method and charged to interest expense over the next 12 years.

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
December 31, 2013

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
Cash and cash equivalents	\$ 674,500	\$ 9,412	\$ 1,638,295
Investments	1,967,704	27,458	-
Receivables:			
Interest	<u>2,863</u>	<u>40</u>	<u>-</u>
Total assets	<u>2,645,067</u>	<u>36,910</u>	<u>\$ 1,638,295</u>
 <u>Liabilities</u>			
Current liabilities:			
Accounts payable	12,000	-	-
Accrued payroll and withholdings payable	620	-	298,697
Customer deposits	<u>-</u>	<u>-</u>	<u>1,339,598</u>
Total liabilities	<u>12,620</u>	<u>-</u>	<u>\$ 1,638,295</u>
 <u>Net Position</u>			
Net position held in trust for:			
Employees' pension benefits	2,632,447	-	
Individuals, organizations, and other governments	<u>-</u>	<u>36,910</u>	
Total net position	<u>\$ 2,632,447</u>	<u>\$ 36,910</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2013

<u>Additions</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>
Contributions:		
On behalf	\$ 10,898,989	\$ -
Plan members	881	-
Other	<u>4,854</u>	<u>-</u>
Total contributions	<u>10,904,724</u>	<u>-</u>
Investment income:		
Interest	<u>3,519</u>	<u>78</u>
Total additions	<u>10,908,243</u>	<u>78</u>
 <u>Deductions</u>		
Benefits	11,922,137	-
Administrative expense	<u>12,512</u>	<u>4,315</u>
Total deductions	<u>11,934,649</u>	<u>4,315</u>
Changes in net position	(1,026,406)	(4,237)
Net position - beginning	<u>3,658,853</u>	<u>41,147</u>
Net position - ending	<u>\$ 2,632,447</u>	<u>\$ 36,910</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of South Bend (primary government) was established under the laws of the State of Indiana. The primary government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, sewer, and urban redevelopment and housing.

The accompanying financial statements present the activities of the primary government and its significant component units. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government.

Blended Component Units

The South Bend Redevelopment Authority, a legally separate entity, is a significant blended component unit of the primary government. The Redevelopment Authority's sole purpose is to finance and construct land, buildings, and other improvements for use by the primary government. Financial statements for the Redevelopment Authority are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 1200N County-City Building, South Bend, Indiana, 46601.

The South Bend Building Corporation, Inc., is also a legally separate nonprofit corporation, and is a significant blended component unit of the primary government. The Building Corporation's main purpose is to finance construction and remodeling of City buildings for the City of South Bend. Debt of the Building Corporation is repaid through lease payments from the City. Financial statements for the Building Corporation are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 1200N, County-City Building, South Bend, Indiana, 46601.

Related Organizations

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointments. The Mayor and the Common Council appoint the board members of the South Bend Housing Authority, South Bend Public Transportation Corporation (TRANSPO), Urban Enterprise Association, and the Special Funds Board of Managers.

During 2013, the Special Funds Board of Managers provided \$1,313,436 to the City's Century Center to finance operations.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and pension trust and private purpose trust fund financial statements. Agency funds, however, report only assets and liabilities. Since they do not report equity (or changes in equity), they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government reports the following major governmental funds:

The General fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Park and Recreation fund is used to account for the operation of the City park system. Financing is provided by a specific annual property tax levy to the extent that user fees and miscellaneous revenues are insufficient to provide such financing.

The Public Safety Local Option Income Tax (LOIT) fund is used to account for the City's share of the public safety local option income tax. Expenditures are restricted to public safety.

The County Option Income Tax (COIT) fund is used to account for the City's share of the county option income tax. Expenditures include any lawful purpose of the City.

The Economic Development Income Tax (EDIT) is to account for the City's share of the County Economic Development Tax. Expenditures include any lawful purpose of the City.

The Tax Incremental Financing (TIF) Airport fund is used to account for public improvement projects in the airport economic development area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.

The primary government reports the following major enterprise funds:

The Water Utility fund accounts for the operation of the primary government's water distribution system.

The Wastewater Utility fund accounts for the operation of the primary government's wastewater treatment plant, pumping stations, and collection systems.

The Century Center fund accounts for the operation and maintenance of the City's convention center. Financing is received from various user fees for conventions, meetings, and other events held at the civic center and a subsidy from the St. Joseph County's Special Funds Board of Managers.

Additionally, the primary government reports the following fund types:

The internal service funds account for various City liability coverage, employee medical coverage, unemployment claims, and central services such as fuel, vehicle repairs, and various supplies provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefits cemetery maintenance.

The agency funds account for assets held by the primary government as an agent for employee payroll, pension, and payroll deductions and held for an entertainment center's event deposits.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and payments of administrative costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from non-perating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the primary government to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits, and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. There is no material difference between amortized cost and fair value. Other money market investments are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "inter-fund receivables/payables" (i.e., the current and noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as "inter-fund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are usually distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations, adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively.

4. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 100,000	Straight-Line	20 to 30 years
Large office equipment	10,000	Straight-Line	5 to 10
Vehicles and other equipment	10,000	Straight-Line	5 to 20
Roads - collectors and residential	250,000	Straight-Line	40 to 50
Utilities infrastructure (large)	250,000	Straight-Line	30 to 99

The City has implemented retroactive reporting of its infrastructure as of December 31, 2006.

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

7. Compensated Absences

- a. Sick Leave - primary government employees earn sick leave at the rate of 4 to 8 days per year, depending upon employee classification and length of service. Policemen, teamsters, 40 hour per week firemen, and all other employees earn 8 sick days per year, regardless of tenure of service. Firemen working 24 hour workdays with tenure greater than 5 years earn 5 days of sick leave per year, and firemen working 24 hour workdays with tenure less than 5 years, earn 4 days of sick leave per year. Sick leave may accumulate to a maximum 90 days for policemen, 100 days for 40 hour per week firemen, 38 days for 24 per day fireman, 75 days for teamsters and 65 days for all other employees. Accumulated sick leave is paid to firemen and policemen upon termination of employment depending upon the number of sick leave hours transacted, at a rate of 50 percent to 100 percent of the base hourly rate of pay for firemen and at a rate of one-half the 1st class patrolman rank rate of pay for policemen. Accumulated sick leave is paid to teamster employees, upon retirement, at a rate of \$25 for each accumulated sick leave day transacted. Sick leave buy-back during employment is paid to firemen and policemen annually upon request. Upon request, firemen are paid unused sick days earned in the previous year in excess of 252 hours in the sick day bank at the base hourly rate of pay. Upon request, policemen are paid up to a maximum 8 unused sick days at the 1st class patrolman rate of pay.

- b. Vacation Leave - primary government employees earn vacation leave at rates from zero days to 28 days based upon hire date, years of service, and employee classification. Vacation leave does not accumulate from year to year for policemen, firemen, and teamster employees, except in instances where special cases are approved. Non-bargaining carryover to the following year unused vacation time up to a maximum of 80 hours. Employees earn vacation leave during the year for use in the succeeding year. Unused vacation leave is paid to employees upon termination of employment. Firemen may sell back vacation leave, up to a maximum 3 days per year, during selected times of the year, at the employee's normal hourly rate of pay.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

- c. Personal Leave - primary government policemen earn personal leave at the rate of 7 days per year, and have the opportunity to earn an additional three days leave with participation in regularly scheduled police practice shooting exercises. Policemen personal leave does not accumulate from year to year. Policemen unused personal leave may be rolled into sick leave. City employees under the teamster contract can use up to 4 days of their sick leave for personal leave.
- d. Compensatory Leave - primary government firemen can elect to receive compensation for overtime hours worked either through wage payment or compensatory time off work up to a maximum of 240 hours. All other nonexempt employees working overtime hours earn compensatory time off up to a maximum balance of 32 hours, after which they are paid overtime wage. All other exempt employees working overtime hours earn compensatory time up to a maximum balance of 160 hours.

Unused vacation leave for all City employees, and unused sick leave and compensatory leave of firemen, policemen and teamsters is accrued when incurred and reported as a liability in the Statement of Net Position. Amounts due and payable at year end are included in the proprietary fund statements. No liability is recognized in the governmental fund statements.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Net position restricted for debt service and for capital outlay shown in the business-type activities and in the enterprise funds are restricted pursuant to state statute and/or local ordinance.

9. Fund Equity

Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. A brief description of each category is as follows:

Nonspendable fund balances include items that cannot be spent. This includes activity that is not in a spendable form (long-term portions of loans, property held for resale) and activity that is legally or contractually required to remain intact, such as principal balances in a permanent fund.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted fund balances have constraints placed upon the use of the resources either by an external party such as a grantor or creditor or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action by the South Bend City Common Council, the City's highest level of decision-making authority, for all non-TIF Funds, or by the South Bend Redevelopment Commission for TIF Funds. This formal action is the passage of an ordinance by the Council or resolution by the Commission specifying the purposes for which the funds can be used. The same type of formal action is necessary to remove or change the specified use.

Assigned fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For the governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed. Currently, state statute does not require the City's Common Council to undertake any resolution regarding the assignment of fund balances. Assignments of fund balance are imposed by informal action of the City Controller. Formal action by a governing body is not required to assign fund balances.

The unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Only the General Fund may report a positive unassigned fund balance whereas, other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted amounts are available for use, generally it is the City's policy to use restricted amounts first, with unrestricted resources utilized as needed. In the case of unrestricted resources, it is generally the City's policy to use committed amounts first, followed by assigned amounts, then unassigned amounts as needed.

The fund balance policy includes reserve ranges for funds as follows:

- General: 25 percent of annual expenditures
- COIT: 50 percent of annual expenditures
- EDIT: 50 percent of annual expenditures
- Water operating: 5 percent of annual expenditures
- Wastewater operating: 5 percent of annual expenditures
- Other: generally 20 percent or 25 percent of annual expenditures

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

The detail of the fund balance classifications of the governmental funds for the year ended December 31, 2013, is as follows:

	Major Governmental Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Park and Recreation	Public Safety LOIT	COIT	EDIT	TIF Airport		
Nonspendable:								
Inventory	\$ -	\$ 84,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,308
Property held for resale	-	-	-	569,499	449,831	8,756,317	9,198,433	18,974,080
Advances to other funds	656,848	-	-	2,027,973	-	1,742,115	-	4,426,936
Total Nonspendable	656,848	84,308	-	2,597,472	449,831	10,498,432	9,198,433	23,485,324
Restricted:								
General government	-	-	-	-	-	-	1,928,114	1,928,114
Public safety	-	-	1,795,219	-	-	-	2,075,185	3,870,404
Highways and streets	-	-	-	-	-	-	12,930,333	12,930,333
Economic development	-	-	-	-	-	25,516,587	35,728,065	61,244,652
Culture and recreation	-	4,001,110	-	-	-	-	2,277,196	6,278,306
Debt service	-	-	-	-	-	-	9,136,070	9,136,070
Total Restricted	-	4,001,110	1,795,219	-	-	25,516,587	64,074,963	95,387,879
Committed:								
General government	-	-	-	-	-	-	7,918,928	7,918,928
Public safety	-	-	-	-	-	-	5,328,506	5,328,506
Highways and streets	-	-	-	-	-	-	5,912,837	5,912,837
Economic development	-	-	-	-	-	-	903,269	903,269
Culture and recreation	-	-	-	-	-	-	633,486	633,486
Total Committed	-	-	-	-	-	-	20,697,026	20,697,026
Assigned:								
General government	15,976	-	-	14,201,296	10,715,091	-	9,585,928	34,518,291
Public safety	478,326	-	-	-	-	-	95,711	574,037
Economic development	-	-	-	-	-	-	857,164	857,164
Culture and recreation	37,657	-	-	-	-	-	-	37,657
Total Assigned	531,959	-	-	14,201,296	10,715,091	-	10,538,803	35,987,149
Unassigned	26,480,106	-	-	-	-	-	(4,852,169)	21,627,937
Total fund balance	\$27,668,913	\$ 4,085,418	\$ 1,795,219	\$ 16,798,768	\$ 11,164,922	\$ 36,015,019	\$ 99,657,056	\$ 197,185,315

Public Safety LOIT funds are primarily restricted for payment of police and fire personnel. Park and Recreation funds are restricted primarily for parks and recreation operating costs, including personnel. COIT and EDIT funds are assigned to general government primarily for debt service payments and operating expenses.

The government-wide Statement of Net Position reports restricted net position for debt service and capital outlay, which is restricted by enabling legislation.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. Prior to November 1 of each year, the Common Council, through the passage of an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications, namely, Personnel, Supplies, Services, or Capital of a budget without approval of the Common Council. The Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Deficit Fund Equity

At December 31, 2013, the following funds reported deficits in fund equity, which are violations of State statute:

	Deficit
Nonmajor governmental funds:	
Urban Development Action Grant (UDAG)	\$ 231,552
TIF - Douglas Road	629,585
TIF - Northeast Residential	2,222,180
Nonmajor enterprise funds:	
Consolidated Building	41,717

Fund equity deficits arose primarily from expenditures or expenses exceeding revenues due to the underestimate of current requirements. It is anticipated that these deficits will be repaid from future revenues.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2013, the bank balances held at the following institutions were collateralized with securities held by the pledging financial institution's trust department or agent in the depositor-City's name:

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Wells Fargo Bank, NA	\$1,897,179
US Bank NA	7,691,544
1 st Source Bank	2,028,437
Sun Trust	431,511
PNC	91

At December 31, 2013, the bank balances held at the following institutions were collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-City's name:

Bank of New York Mellon	\$7,314,676
1 st Source Bank	4,448,983

The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The City has not formally adopted a deposit policy for custodial credit risk.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2013, the City had the following investments:

Investment Type	Primary Government	Investment Maturities (in Years)		
	Fair Value	Less Than 1	1-2	More Than 2
U.S. government agency securities	\$ 79,635,467	\$ 28,727,631	\$ 50,907,836	\$ -

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than five years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments. At December 31, 2013, the City held investments in U.S. government agency securities in the amount of \$79,635,467. These investments were held by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than five years. The City does not have a formal investment policy for interest rate risk. The following schedule is a summary of the interest rate risk disclosure as of December 31, 2013:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. government agency securities	<u>\$ 28,727,631</u>	<u>\$ 39,064,603</u>	<u>\$ 11,843,233</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. government agency securities are implicitly guaranteed by the full faith and credit of the U.S. government and are recognized as one of the safest investment available. The City does not have a formal investment policy for credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the City's practice to limit concentration of investments to no more than 10 percent of any institution's asset base. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

The City does not have a formal policy in regards to foreign currency risk. The City does not have any foreign currency.

B. Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2013, City funds recognized the following loan receivable balances. The schedule shows the total receivable and the portion that is not due within one year. These loans were for economic development projects:

<u>Fund</u>	<u>Receivable</u>	<u>Noncurrent</u>
Nonmajor governmental funds:		
Economic development state grants	\$ 482,021	\$ 58,200
Community investment grants	340,477	265,572
Urban development action grant	1,768,852	1,768,852
Industrial revolving	4,419,860	4,279,464
TIF downtown	<u>683,474</u>	<u>503,961</u>
Totals	<u>\$ 7,694,684</u>	<u>\$ 6,876,049</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

<u>Primary Government</u>	<u>Beginning Balance (Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 15,921,386	\$ 99	\$ (38,000)	\$ 15,883,485
Capital assets, being depreciated:				
Buildings	127,656,886	2,610,108	(198,661)	130,068,333
Improvements other than buildings	16,038,868	242,374	-	16,281,242
Machinery and equipment	50,304,539	5,845,475	(9,796,037)	46,353,977
Roads and other infrastructure	<u>420,291,534</u>	<u>1,248,521</u>	<u>(99)</u>	<u>421,539,956</u>
Totals	<u>614,291,827</u>	<u>9,946,478</u>	<u>(9,994,797)</u>	<u>614,243,508</u>
Less accumulated depreciation for:				
Buildings	36,735,257	3,643,119	(13,175)	40,365,201
Improvements other than buildings	7,370,754	660,643	-	8,031,397
Machinery and equipment	33,647,008	4,101,379	(9,670,490)	28,077,897
Roads and other infrastructure	<u>257,852,591</u>	<u>11,425,195</u>	<u>-</u>	<u>269,277,786</u>
Totals	<u>335,605,610</u>	<u>19,830,336</u>	<u>(9,683,665)</u>	<u>345,752,281</u>
Total capital assets, being depreciated, net	<u>278,686,217</u>	<u>(9,883,858)</u>	<u>(311,132)</u>	<u>268,491,227</u>
Total governmental activities capital assets, net	<u>\$ 294,607,603</u>	<u>\$ (9,883,759)</u>	<u>\$ (349,132)</u>	<u>\$ 284,374,712</u>

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,024,582	\$ -	\$ -	\$ 3,024,582
Construction in progress	6,647,833	12,126,514	(4,849,336)	13,925,011
Total capital assets, not being depreciated	<u>9,672,415</u>	<u>12,126,514</u>	<u>(4,849,336)</u>	<u>16,949,593</u>
Capital assets, being depreciated:				
Buildings	82,297,980	827,827	(153,257)	82,972,550
Improvements other than buildings	23,987,898	2,413,538	(21,030)	26,380,406
Machinery and equipment	29,235,757	3,240,000	(2,263,763)	30,211,994
Roads and other infrastructure	190,938,764	5,366,748	(862,384)	195,443,128
Totals	<u>326,460,399</u>	<u>11,848,113</u>	<u>(3,300,434)</u>	<u>335,008,078</u>
Less accumulated depreciation for:				
Buildings	31,348,151	2,120,891	(152,959)	33,316,083
Improvements other than buildings	4,659,689	1,089,618	(21,030)	5,728,277
Machinery and equipment	22,162,989	1,557,807	(2,142,650)	21,578,146
Roads and other infrastructure	55,469,771	4,961,246	(590,418)	59,840,599
Totals	<u>113,640,600</u>	<u>9,729,562</u>	<u>(2,907,057)</u>	<u>120,463,105</u>
Total capital assets, being depreciated, net	<u>212,819,799</u>	<u>2,118,551</u>	<u>(393,377)</u>	<u>214,544,973</u>
Total business-type activities capital assets, net	<u>\$ 222,492,214</u>	<u>\$ 14,245,065</u>	<u>\$ (5,242,713)</u>	<u>\$ 231,494,566</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 660,287
Public safety	3,248,469
Highways and streets, and other general infrastructure assets	11,939,894
Culture and recreation	3,165,783
Economic development	700,122
Internal service funds*	<u>115,781</u>
Total depreciation expense - governmental activities	<u>\$ 19,830,336</u>

*Capital assets held by the primary government's internal service funds are charged to the various functions based on their usage of the assets.

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Business-type activities:

Water	\$ 1,924,933
Wastewater	6,266,832
Civic center	763,870
Building permits	24,144
Parking garage	260,960
Solid waste	331,220
Golf course	<u>157,603</u>

Total depreciation expense - business-type activities \$ 9,729,562

D. Construction Commitments

Construction work in progress is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2013	Committed	Required Future Funding
Business-type activities:				
Water Utility:				
Pinhook WTP Efficiency Improvements	\$ 3,444,908	\$ 2,107,867	\$ 1,605,292	\$ -
Wastewater Utility:				
Primary Clarifier upgrades	5,780,498	3,047,919	2,931,944	-
Michigan St Lift Station Improvements	83,650	62,156	21,494	\$ -
Sewer Overflow Sensory Network	398,808	358,854	48,930	-
Digester Upgrade at WWTP	6,827,800	1,809,325	5,368,223	-
Ferric Chloride Feed System	447,500	23,520	423,980	-
East Bank Sewer Separation Phase 4	3,282,762	3,197,954	166,102	-
Southwood Sewer Separation	236,449	243,233	1,764	-
Diamond Avenue Sewer Separation Phase 3	2,787,882	2,847,962	136,839	-
Prairie Avenue Sewer Separation	<u>471,000</u>	<u>226,221</u>	<u>252,550</u>	<u>-</u>
Totals - Business-type activities	<u>\$ 23,761,257</u>	<u>\$ 13,925,011</u>	<u>\$ 10,957,118</u>	<u>\$ -</u>

E. Interfund Balances and Activity

1. Interfund Receivables and Payables

Fund	Interfund Receivable	Payable
General	\$ 15,877	\$ 18,310
Park and Recreation	11,778	3,265
TIF Airport	-	5,008

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	<u>Interfund Receivable</u>	<u>Payable</u>
Nonmajor governmental funds:		
Motor Vehicle Highway	-	598
Park Non-reverting	1,487	-
Community Investment	-	15,765
Hall of Fame Capital	-	687
SBCDA Debt Reserve	-	223
TIF Downtown	<u>223</u>	<u>3,150</u>
Totals - nonmajor governmental funds	<u>1,710</u>	<u>20,423</u>
Total - governmental funds	<u>29,365</u>	<u>47,006</u>
Enterprise funds		
Water Utility	20,906	9,050
Wastewater Utility	8,383	2,289
Century Center	6,260	-
Nonmajor enterprise funds:		
Consolidated Building	<u>-</u>	<u>7,356</u>
Total - nonmajor enterprise funds	<u>-</u>	<u>7,356</u>
Total - enterprise funds	<u>35,549</u>	<u>18,695</u>
Internal service funds:		
Self-funded Employee Benefits	-	1,487
Central Services	<u>3,135</u>	<u>861</u>
Total - Internal service funds	<u>3,135</u>	<u>2,348</u>
Total - all funds	<u>\$ 68,049</u>	<u>\$ 68,049</u>

The composition of interfund balances as of December 31, 2013, is as follows:

Interfund balances resulted from the time lag between the dates that (1) Interfund loans are repaid, (2) Interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system and (4) payments between funds are made.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Advances Between Funds

The advances between funds record noncurrent portions of long-term loans from one fund to another. Advances at December 31, 2013, were as follows:

Fund	Advances	
	To Other Funds	From Other Funds
General	\$ 656,848	\$ -
COIT	2,027,973	-
TIF Airport	1,742,115	500,000
Nonmajor governmental funds:		
Studebaker Oliver Revitalization Grants	500,000	-
Urban Development Action Grant	-	2,027,973
Football Hall of Fame	-	656,848
Major Moves	5,912,837	-
TIF Douglas Road	-	923,829
TIF Northeast Residential	-	4,989,008
Total - nonmajor governmental funds	<u>6,412,837</u>	<u>8,597,658</u>
Total - governmental funds	<u>10,839,773</u>	<u>9,097,658</u>
Nonmajor enterprise funds:		
Blackthorn Golf Course	-	1,742,115
Total - all funds	<u>\$ 10,839,773</u>	<u>\$ 10,839,773</u>

Specific purposes of the advances are as follows: The General Fund advanced funds to the Football Hall of Fame to cover operating expenses. The COIT Fund advanced funds to the Urban Development Action Grant Fund for community development projects. The Airport TIF advanced funds for the Blackthorn Golf Course debt services payments. Major Moves advanced funds to the Douglas Road and Northeast Residential TIFs for project costs incurred to construct roads and a parking garage.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Interfund Transfers

Interfund transfers at December 31, 2013, were as follows:

Fund	Transfers	
	From Other Funds	To Other Funds
General	\$ 12,044,166	\$ 744,364
Park and Recreation	696,009	209,824
Public Safety LOIT	683,303	7,540,389
COIT	-	1,807,098
EDIT	-	5,456,519
TIF Airport	211,047	1,233,000
Nonmajor governmental funds:		
Motor Vehicle Highway	3,626,882	-
DCI Operating	1,717,519	-
Leaf Collection and Removal	-	250,000
College Football Hall of Fame Debt Service	71,468	-
Redevelopment Bond - Airport Taxable	-	3,167
Redevelopment Bond - Palais Royale	-	5,292
Redevelopment Authority Debt Service	4,755,324	-
South Bend Building Corporation Debt Service	2,237,291	-
Emergency Medical Services	-	1,000,000
Park Nonreverting Capital	209,824	-
Cumulative Capital Development	46,054	-
Cumulative Capital Improvement	-	367,575
TIF - Downtown	5,291	398,500
College Football Hall of Fame Capital	61,061	-
TIF - Northeast Residential	-	2,824,324
Total - Nonmajor governmental funds	<u>12,730,714</u>	<u>4,848,858</u>
Total - governmental funds	<u>26,365,239</u>	<u>21,840,052</u>
Water Utility	-	1,541,755
Wastewater Utility	-	2,775,553
Non-major enterprise funds:		
Blackthorn Golf Course	-	207,879
Total - Nonmajor enterprise funds	<u>-</u>	<u>207,879</u>
Total - enterprise funds	<u>-</u>	<u>4,525,187</u>
Total - all funds	<u>\$ 26,365,239</u>	<u>\$ 26,365,239</u>

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government typically uses transfers to fund ongoing operating subsidies. Specific purposes of the transfers are as follows: The Public Safety LOIT and Emergency Medical Services Funds transferred funds to the General Fund for the payment of police and fire and EMS personnel. The Water and Wastewater Utility Funds transferred PILOT funds to the General, Parks and Recreation, Redevelopment Bond Debt Service-Airport Taxable, and Cumulative Capital Development Funds for general use. The COIT, EDIT, TIF Airport, TIF Downtown, Cumulative Capital Improvement, and TIF Northeast Residential Funds transferred funds to the Redevelopment Authority and South Bend Building Corporation Debt Services Funds for debt service payments. The COIT and EDIT Funds transferred funds to the Motor Vehicle Highway Fund for general operations as well as for the curb and sidewalk improvements. The EDIT Fund transferred funds to the DCI Operating Fund for salaries and wages relating to community investment initiatives. The Leaf Collection and Removal Fund transferred funds collected from customers for leaf collection to the Motor Vehicle Highway Fund to cover supervisory personnel in charge of the Leaf Collection and Removal program. The Parks and Recreation Fund transferred funds collected for park programs to the Park Nonreverting Capital Fund.

F. Leases

1. Operating Leases

The primary government has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for golf cart global positioning systems, office machines, and office space. Rental expenditures for these leases were \$271,570. The following is a schedule by years of future minimum rental payments as of December 31, 2013:

<u>Year Ended December 31</u>	<u>Annual Payment</u>
2014	\$ 166,773
2015	122,758
2016	83,758
2017	78,538
2018	<u>6,000</u>
Total	<u>\$ 457,827</u>

2. Capital Leases

The primary government has entered into various capital leases for various types of equipment and two parking garages. The parking garage capital leases are being repaid from governmental funds. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2013, are as follows:

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2014	\$ 2,351,558	\$ 1,086,835
2015	2,325,625	1,007,218
2016	1,860,654	866,361
2017	1,117,531	783,318
2018	651,748	219,664
2019-2023	1,000,000	3
2024-2028	<u>400,000</u>	<u>-</u>
 Total minimum lease payments	 9,707,116	 3,963,399
 Less amount representing interest	 <u>929,877</u>	 <u>132,671</u>
 Present value of net minimum lease payments	 <u>\$ 8,777,239</u>	 <u>\$ 3,830,728</u>

Assets acquired through capital leases still in effect are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings	\$ 5,189,549	\$ 4,115,612
Improvements other than buildings	2,645,045	-
Machinery and equipment	<u>17,176,056</u>	<u>5,896,038</u>
 Totals	 25,010,650	 10,011,650
 Accumulated depreciation	 <u>14,354,501</u>	 <u>4,187,131</u>
 Totals	 <u>\$ 10,656,149</u>	 <u>\$ 5,824,519</u>

G. Long-Term Liabilities

1. Mortgage Bonds

Mortgage Bonds outstanding at year end are as follows:

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Original Issue	Outstanding 12-31-13
<u>Governmental Activities</u>			
2010 Public Works Service Center Refunding			
- maturity February 1, 2021			
- installments of \$525,000 to \$615,000 plus interest	3.0% to 5.0%	\$ 5,327,775	\$ 3,845,645
2012 New Fire Station/Police renovations refunding			
- maturity February 1, 2023			
- installments of \$545,000 to \$770,000 plus interest	2.1% to 5.0%	13,595,000	12,365,000
2013 Building Corp EMS Fire Station/Tower Bonds			
- maturity February 1, 2033			
- instalments \$215,000 - \$235,000 plus interest	3.0% to 4.2%	<u>5,580,000</u>	<u>5,580,000</u>
Total - governmental activities		<u>\$ 24,502,775</u>	<u>\$ 21,790,645</u>

Business-Type Activities

2010 Public Works Service Center Refunding			
- maturity February 1, 2021			
- installments of \$525,000 to \$615,000 plus interest	3.0% to 5.0%	<u>\$ 747,225</u>	<u>\$ 539,355</u>

Mortgage bonds at year end include the following amounts of unamortized bond discount (premium) and unamortized loss (gain) on refunding:

Purpose	Balance at December 31	Unamortized Discount (Premium)	Adjusted Balance
<u>Governmental Activities</u>			
2010 Public Works Service Center Refunding	\$ 3,845,645	\$ (87,319)	\$ 3,932,964
2012 New Fire Station/Police renovations refunding	12,365,000	(1,118,615)	13,483,615
2013 EMS Training facility	<u>5,580,000</u>	<u>(83,202)</u>	<u>5,663,202</u>
Total Governmental Activities	<u>\$ 21,790,645</u>	<u>\$ (1,289,136)</u>	<u>\$ 23,079,781</u>
<u>Business-Type Activities</u>			
2010 Public Works Service Center Refunding	<u>\$ 539,355</u>	<u>\$ (12,247)</u>	<u>\$ 551,602</u>

Mortgage debt service requirements to maturity are as follows:

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,580,425	\$ 715,921	\$ 64,575	\$ 17,912
2015	1,852,965	708,085	67,035	15,956
2016	1,911,120	649,014	68,880	13,927
2017	1,969,275	587,407	70,725	11,807
2018	2,026,815	522,582	73,185	9,443
2019-2023	9,000,045	1,479,354	194,955	11,715
2024-2028	1,520,000	528,456	-	-
2029-2033	1,930,000	207,076	-	-
Totals	<u>\$ 21,790,645</u>	<u>\$ 5,397,895</u>	<u>\$ 539,355</u>	<u>\$ 80,761</u>

2. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Original Issue	Outstanding 12-31-13
Governmental Activities:			
Tax Incremental Financing Revenue Bonds:			
2002 TJX Special Taxing District	3.0% to 4.75%	\$ 6,620,000	\$ 3,405,000
- maturity January 1, 2022			
- installments of \$295,000 to \$500,000 plus interest			
2003 Amended Airport TIF Refunding	4.0% to 5.20%	14,420,000	9,195,000
- maturity February 1, 2025			
- installments of \$254,036 to \$530,000 plus interest			
2003 Amended Downtown TIF Refunding	4.0% to 5.20%	19,795,000	16,120,000
- maturity February 1, 2025			
- installments of \$260,000 to \$935,000 plus interest			
2005 Southside TIF	6.1% to 6.75%	5,485,000	4,465,000
- maturity February 1, 2027			
- installments of \$165,000 to \$465,000 plus interest			
2011 SB Career Academy Project	4.0 %	1,500,000	500,000
- maturity November 15, 2014			
- installments of \$500,000 plus interest			
Redevelopment Authority Revenue Bonds:			
2008 Eddy Street Common Improvements	4.0% to 6.0%	36,000,000	34,050,000
- maturity February 15, 2033			
- installments of \$145,000 to \$1,420,000 plus interest			
2009 Morris Performing Arts Center Refinancing	3.0% to 4.0%	7,210,000	3,380,000
- maturity February 1, 2017			
- installments of \$400,000 to \$515,000 plus interest			
2011 Hall of Fame Refinancing	.8% to 3.65%	7,580,000	5,285,000
- maturity February 1, 2018			
- installments of \$550,000 to \$615,000 plus interest			
2011 Century Center Refinancing	2.0% to 3.0%	2,980,000	2,070,000
- maturity February 1, 2018			
- installments of \$215,000 to \$260,000 plus interest			

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Original Issue	Outstanding 12-31-13
Governmental Activities (continued):			
2013 Century Center Improvements	4.0% to 5.63%	4,655,000	3,990,000
- maturity May 1, 2028			
- installments of \$155,000 to \$375,000 plus interest *			
CEDIT Revenue Bonds:			
2006 CEDIT Refinancing Bonds	3.75% to 4%	7,440,000	2,815,000
- maturity February 1, 2017			
- installments of \$310,000 to \$430,000 plus interest			
Professional Sports/Convention Development Revenue Bonds:			
2010 Taxable	1.75% to 5.2%	<u>4,980,000</u>	<u>3,520,000</u>
- maturity January 5, 2019			
- installments of \$580,000 to \$670,000 plus interest			
Total Governmental Activities		<u>\$ 118,665,000</u>	<u>\$ 88,795,000</u>
* - St. Joseph County has irrevocably pledged hotel-motel tax revenues to finance debt payments			
Business-Type Activities:			
2006 Water Works Improvement	4.25% to 4.50%	4,710,000	3,505,000
- maturity January 1, 2027			
- installments of \$170,000 to \$350,000 plus interest			
2009 Water Works Improvement	3.8% to 5.89%	5,380,000	4,985,000
- maturity January 1, 2030			
- installments of \$195,000 to \$455,000 plus interest			
2012 Water Works Improvement	2.0%	5,975,000	3,450,000
- maturity January 1, 2023			
- installments of \$335,000 to \$425,000 plus interest			
2012B Water Works Improvement	2.0% to 3.7%	8,300,000	7,960,000
- maturity January 1, 2033			
- installments of \$340,000 to \$540,000 plus interest			
2006 Sewage Works Improvement	3.6% to 4.625%	7,630,000	6,090,000
- maturity December 1, 2026			
- installments of \$295,000 to \$630,000 plus interest			
2007A Sewage Works Improvement	4.0% to 4.5%	16,600,000	13,010,000
- maturity December 1, 2027			
- installments of \$585,000 to \$1,225,000 plus interest			
2007B Sewage Works Improvement	4.0% to 4.5%	16,515,000	12,960,000
- maturity December 1, 2027			
- installments of \$580,000 to \$1,230,000 plus interest			
2010 Sewage Works Revenue	2.0% to 4.5%	9,345,000	8,270,000
- maturity December 1, 2030			
- installments of \$365,000 to \$665,000 plus interest			
2011 Sewage Works Revenue	3% to 4%	21,500,000	19,895,000
- maturity December 1, 2031			
- installments of \$365,000 to \$665,000 plus interest			
2012 Sewage Works Revenue	2% to 2.75%	25,000,000	23,985,000
- maturity December 1, 2032			
- installments of \$1,105,000 to \$1,650,000 plus interest			
2013A Sewage Works revenue	1.94%	<u>14,765,000</u>	<u>13,700,000</u>
- maturity December 1, 2024			
- installments of \$1,065,000 to \$715,000 plus interest			
Total Business-Type Activities		<u>\$ 135,720,000</u>	<u>\$ 117,810,000</u>

The City has pledged future revenues, net of operating expenses to repay Water and Wastewater Utilities' bonds. Bond ordinances require monthly deposits of a portion of user fee revenues sufficient to meet requirements of the next principal, interest, and bank fiscal charge payment. Water and wastewater bond ordinances also require monthly deposits of user fee revenues over 60 months to produce a bond reserve equal to approximately the maximum annual debt service.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

During 2013, the Water Utility paid \$2,227,900 in debt payments or approximately 16 percent of operating revenues. The Wastewater Utility paid \$13,858,305 in debt payments or approximately 43 percent of operating revenues.

The City has pledged tax incremental financing revenues to meet tax incremental financing and Redevelopment Authority debt requirements. The City has pledged County Economic Development Income Taxes (CEDIT) to meet the CEDIT revenue bond debt requirements. The City has also pledged taxes in the Professional Sports and Convention Development (PSCD) Area to meet the PSCD revenue bonds.

Revenue bonds at year end include the following amounts of unamortized bond discount (premium) and unamortized loss (gain) on refunding:

Purpose	Balance at December 31	Unamortized Discount (Premium)	Adjusted Balance
Governmental Activities:			
Tax Incremental Financing Revenue Bonds:			
2002 TJX Special Taxing District	\$ 3,405,000	\$ 28,856	\$ 3,376,144
2003 Amended Airport TIF Refunding	9,195,000	-	9,195,000
2003 Amended Downtown TIF Refunding	16,120,000	-	16,120,000
2005 Southside TIF	4,465,000	42,948	4,422,052
2011 SB Career Academy Project	500,000	-	500,000
Redevelopment Authority Revenue Bonds:			
2008 Eddy Street Common Improvements	34,050,000	(1,338,574)	35,388,574
2009 Morris Performing Arts Center Refinancing	3,380,000	(35,416)	3,415,416
2011 Hall of Fame Refinancing	5,285,000	-	5,285,000
2011 Century Center Refinancing	2,070,000	(18,607)	2,088,607
2013 Century Center Improvements	3,990,000	(41,527)	4,031,527
CEDIT Revenue Bonds:			
2006 CEDIT Refinancing Bonds	2,815,000	(15,506)	2,830,506
Professional Sports/Convention Development Revenue Bonds:			
2010 Taxable	3,520,000	-	3,520,000
Total Governmental Activities	\$ 88,795,000	\$ (1,377,826)	\$ 90,172,826
Business-Type Activities:			
2006 Water Works Improvement	3,505,000	13,091	3,491,909
2009 Water Works Improvement	4,985,000	-	4,985,000
2012B Water Works Improvement	3,450,000	30,409	3,419,591
2012 Water Works Improvement	7,960,000	45,904	7,914,096
2006 Sewage Works Improvement	6,090,000	35,979	6,054,021
2007A Sewage Works Improvement	13,010,000	23,131	12,986,869
2007B Sewage Works Improvement	12,960,000	(81,996)	13,041,996
2010 Sewage Works Revenue	8,270,000	(158,840)	8,428,840
2011 Sewage Works Revenue	19,895,000	94,586	19,800,414
2012 Sewage Works Revenue	23,985,000	(174,581)	24,159,581
2013A Sewage Works Revenue	13,700,000	(136,222)	13,836,222
Total Business-Type Activities	\$ 117,810,000	\$ (308,539)	\$ 118,118,539

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 7,950,000	\$ 4,326,765	\$ 6,910,000	\$ 3,992,614
2015	7,720,000	4,034,845	7,080,000	3,799,374
2016	8,030,000	3,728,416	7,265,000	3,600,160
2017	7,380,000	3,396,357	7,465,000	3,389,962
2018	5,840,000	3,084,214	13,745,000	3,172,319
2019-2023	24,480,000	11,739,534	35,585,000	12,475,115
2024-2028	16,000,000	5,280,643	33,670,000	6,024,668
2029-2033	11,395,000	1,776,750	6,090,000	1,086,583
Totals	<u>\$ 88,795,000</u>	<u>\$ 37,367,523</u>	<u>\$ 117,810,000</u>	<u>\$ 37,540,793</u>

3. Notes and Loans Payable

The primary government has entered into various notes/loans. Annual debt service requirements to maturity for the notes/loans are as follows:

Year Ended December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,608,064	\$ 73,056	\$ 326,346	\$ 117,945
2015	902,796	31,251	335,765	108,527
2016	162,817	16,770	345,456	98,835
2017	118,469	9,780	355,426	88,865
2018	65,591	6,419	365,686	73,397
2019-2023	172,817	7,209	1,209,971	266,898
2024-2028	-	-	1,152,901	99,876
2029-2033	-	-	29,459	993
Totals	<u>\$ 3,030,554</u>	<u>\$ 144,485</u>	<u>\$ 4,121,010</u>	<u>\$ 855,336</u>

4. Bond Refunding

On April 25, 2013, the City of South Bend issued \$14,765,000 in refunding revenue bonds with an average interest rate of 1.94 percent to advance refund \$9,445,000 in outstanding 1998 state revolving loans payable and \$7,980,000 in outstanding 2004 sewage works revenue bonds with an average interest rate of 3.98 percent. The net proceeds of \$14,683,935 (after payment of \$81,065 in issuance costs) and local contributions of \$3,515,459 were used

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 state revolving loans payable and 2004 series bonds. As a result, these loans payable and bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The refunding resulted in the accounting loss of \$631,980 which has been recognized on the Statement of Net Position as Deferral of Loss on Refunding. This amount will be amortized using the straight-line method and charged to interest expense over the next 12 years. The City of South Bend in effect reduced its aggregate debt service payment by \$1,294,420 over the next 12 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$970,950.

On December 5, 2013, the City of South Bend issued \$3,990,000 in refunding revenue bonds with an average interest rate of 3.02 percent to advance refund \$3,990,000 of outstanding 2008 Century Center project revenue series bonds with an average interest rate of 5.47 percent. The net proceeds of \$3,895,417 (after payment of \$136,110 in issuance costs) and local contributions of \$494,433 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 series bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The refunding resulted in the accounting loss of \$466,724 which has been recognized on the Statement of Net Position as Deferral of Loss on Refunding. This amount will be amortized using the straight-line method and charged to interest expense over the next 13 years. The City of South Bend in effect reduced its aggregate debt service payments by \$563,917 over the next 15 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$234,133.

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue	\$ 96,410,000	\$ 3,990,000	\$(11,605,000)	\$ 88,795,000	\$ 7,950,000
Mortgage	17,883,530	5,580,000	(1,672,885)	21,790,645	1,580,425
Total bonds payable	114,293,530	9,570,000	(13,277,885)	110,585,645	9,530,425
Notes and loans payable	4,953,639	-	(1,923,085)	3,030,554	1,608,064
Capital leases	8,336,120	2,240,007	(1,798,889)	8,777,238	2,115,937
Compensated absences	5,116,325	3,892,728	(3,824,141)	5,184,912	3,892,728
Net other postemployment benefits obligation	6,539,338	3,968,925	(2,207,586)	8,300,677	-
Net pension obligation	63,100,018	13,520,569	(13,362,281)	63,258,306	-
Total governmental activities long-term liabilities	<u>\$202,338,970</u>	<u>\$ 33,192,229</u>	<u>\$(36,393,867)</u>	<u>\$ 199,137,332</u>	<u>\$ 17,147,154</u>

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds payable:					
Water Utility	\$ 20,970,000	\$ -	\$ (1,070,000)	\$ 19,900,000	\$ 1,105,000
Wastewater Utility	96,060,000	14,765,000	(12,915,000)	97,910,000	5,805,000
Blackthorn Golf Course	620,000	-	(620,000)	-	-
Total revenue bonds payable	117,650,000	14,765,000	(14,605,000)	117,810,000	6,910,000
Mortgage bonds payable	601,470	-	(62,115)	539,355	64,575
Capital leases payable	3,641,362	1,052,730	(863,363)	3,830,729	1,003,006
Notes and loans payable	13,848,901	34,302	(9,762,193)	4,121,010	326,346
Total business-type activities long-term liabilities	<u>\$ 135,741,733</u>	<u>\$ 15,852,032</u>	<u>\$ (25,292,671)</u>	<u>\$ 126,301,094</u>	<u>\$ 8,303,927</u>

Compensated absences for governmental activities typically have been liquidated from the General fund and special revenue funds. All of the December 31, 2013, business-type activities' compensated absences are due within one year. Net pension obligation will be liquidated from the pension trust funds. Net OPEB obligation will be liquidated from the General fund.

H. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

Cash, cash equivalents, and investments:	
Repair funds	\$ 1,361,351
Customer deposits	1,450,316
Revenue bond covenant accounts	14,951,621
Capital outlay accounts	36,449,049
Cash with fiscal agent	628,472
Interest receivable	<u>49,618</u>
Total restricted assets	<u>\$ 54,890,427</u>

I. Restatements and Reclassifications

The following schedule presents a summary of restated beginning balances.

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Opinion Unit	Balance as Reported December 31, 2012	Prior Period Adjustments/ Reclassifications	Balance as Restated January 1, 2013
Governmental activities - net position:	\$ 292,631,223	\$	\$
Payment of property tax refund applicable to prior years		(1,150,649)	
Reclassification of construction in progress to expenses		(7,502,620)	
Change from reporting Net other post employment benefits obligation at January 1, 2012 to December 31, 2012		(1,155,125)	282,822,829
Governmental activities (nonmajor) fund balance:	96,810,743		
Payment of property tax refund applicable to prior years		(1,150,649)	95,660,094

J. Loss on Sale/Leaseback of Leighton Parking Garage

During 2000, the City completed construction of the Leighton Parking Garage and capitalized the cost of the garage, \$11,439,712, in the Parking Garage Fund, an enterprise fund. On December 1, 2000, the City sold the garage to the South Bend Transportation Company (TRANSPO) for \$3,000,000 as part of a sale/leaseback agreement. The proceeds were receipted into the County Option Income Tax Fund. This fund is also making the future lease payments to TRANSPO.

The present value of the lease, \$1,960,044, was the new basis for the parking garage. As part of this sale/leaseback, the Parking Garage Fund recognized a deferred loss of \$8,439,712, which is being amortized over the fifteen year life of the lease.

K. Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. At December 31, 2013, the market value of these properties was not known. These properties are recognized as assets in the funds that purchased the property.

L. Service Concession Agreement

On July 1, 2013, the City entered into a Service Concession Agreement ("SCA") with SMG, a civic center management company, with the purpose of obtaining high-quality professional management of the Century Center. The initial term of the contract extends through June 30, 2016, and is renewable for 2 additional 3 year periods after that. SMG's compensation is a flat fee of \$135,000 for the first year and is then adjusted by the CPI for each successive year. There are also additional financial incentives based on various operational goals. SMG is responsible for all operations and financial reporting.

Additionally, SMG contributed a onetime capital infusion of \$575,000, to be used for capital improvement, that will be amortized over the life of the first three-year contract term.

Both parties retain certain rights regarding operations and contract cessation.

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Liability Insurance

The primary government has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees, automobile liability, and comprehensive liability. The risk financing fund is accounted for in the Liability Insurance Premium Reserve Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per claim for job-related illnesses or injuries to employees (workers' compensation) and \$100,000 per claim for damage to and destruction of assets (property damage). Two claims resulting from property damage exceeded commercial insurance coverage in the past three years. The first claim occurred during 2012 and the gross claim was \$215,286. In 2013, a second claim was incurred at a loss of \$248,094. A premium is charged to each fund based on a study of paid claims and based on the number of employees and percent of the total budget. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors. The entire insurance liability balance is reported as a current liability as the City has the intent to pay within one year.

Changes in the balance of claim liabilities during the past two years are as follows:

	2012	2013
Unpaid claims, beginning of fiscal year	\$ 2,255,972	\$ 5,584,476
Incurred claims and changes in estimates	5,155,318	44,210
Claim payments	(1,826,814)	(2,837,552)
Unpaid claims, end of fiscal year	\$ 5,584,476	\$ 2,791,134

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Group Health Insurance

The primary government has chosen to establish a risk financing fund for risks associated with medical benefits of employees and their covered dependents. The risk financing fund is accounted for in the Self-Funded Employee Benefits Fund, an internal service fund, where assets are set aside for benefit costs. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per year. One claim resulting from this risk exceeded commercial insurance coverage in the past three years. The claim occurred during 2011 and the gross claim cost was \$564,932. A premium is charged to each fund based on the number of employees and estimated costs exceeding the employees' contributions. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2012	2013
Unpaid claims, beginning of fiscal year	\$ 789,961	\$ 970,077
Incurred claims and changes in estimates	12,192,449	13,583,715
Claim payments	(12,012,333)	(13,346,518)
Unpaid claims, end of fiscal year	\$ 970,077	\$ 1,207,274

The December 31, 2013 unpaid claims include \$1,107,274 reported as current liabilities and expected to be paid within the current year.

During 2005, the City's former employee medical benefits' administrator, Healthcare Resources Group (HRG), failed to pay \$1,111,899 in health care claims for City employees. The City had paid HRG for the claims. HRG was purchased by another business that filed bankruptcy. Asset distribution, which amounted to approximately 19 percent, was made in August 2012, but erroneously paid to St. Joseph County. In May 2013, the County paid the asset distribution to the City.

B. Subsequent Events

On December 20, 2013, the City entered into a five-year Lease and Management Agreement with the Potawatomi Zoological Society (PZS) for the purpose of transferring day-to-day operations of the City's zoo, located at Potawatomi Park, to the Society. The Agreement became effective on January 1, 2014. A concurrent agreement also transferred some employees who heretofore had been employed by the City to PZS. The agreement stipulates an annual compensatory contribution by the City to PZS for each year of the lease as follows:

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

<u>Years</u>	<u>Contribution</u>
2014	\$ 900,000
2015	850,000
2016	800,000
2017	700,000
2018	700,000

There are credit provisions in place that will reimburse the City for a portion of these payments if annual zoo attendance attains certain levels. The payments will be made semiannually from the Parks and Recreation fund.

On April 21, 2014, the City Controller filed with the South Bend Common Council a resolution to authorize the issuance of refunding bonds for the South Bend Redevelopment District to refund the District's Special Taxing District Bonds of 2002, with an outstanding principal amount of \$3,405,000. The aggregate principal of the bonds is not to exceed \$3,700,000 with maturity dates no later than 2022. It is anticipated that the refunding will result in significant savings for the South Bend Redevelopment Commission. The Redevelopment Commission approved the resolution on April 24, 2014, and the Common Council approved theirs on April 28, 2014. The bond sale is expected to take place in May 2014.

C. Conduit Debt Obligation

From time to time, the primary government has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the primary government, the State, nor any political subdivision, thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2013, there were several series of industrial revenue bonds outstanding. The City has been unable to obtain the total outstanding principal amount for the outstanding bonds. During 2013, the City approved no new industrial revenue bonds.

D. Other Post-Employment Benefits (OPEB)

Plan Description

The City of South Bend Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City of South Bend, Department of Administration and Finance, through the City's self-insurance fund. The plan provides for medical insurance benefits to eligible retirees and their spouses. Indiana Code 5-10-8 gives the unit the authority to establish and amend the plan.

The City issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report is available by contacting the City Controller's office: 227 West Jefferson Blvd. Rm. 1200N, South Bend, IN 46601, Ph. (574) 235-9216.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for the City of South Bend Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2013, the City contributed \$702,134 to the plan for current premiums. Police and Fire members receiving benefits contributed approximately 30 percent of the total premiums, through their required contribution of \$133 per month for retiree-only coverage and \$395 for retiree and spouse coverage. General employee members receiving benefits contributed approximately 100 percent of the total premiums, through their required contribution of \$346 per month for retiree-only coverage and \$912 for retiree and spouse coverage.

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Post-Employment Benefit (OPEB) cost (expense) is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual Required Contribution	\$	2,570,663
Interest on net OPEB obligation		294,270
Adjustment to annual required contribution		<u>(401,460)</u>
Annual OPEB cost		2,463,473
Contributions made		<u>(702,134)</u>
Increase in net OPEB obligation		1,761,339
Net OPEB obligation - beginning of year		<u>6,539,338</u>
Net OPEB obligation - end of year	\$	<u><u>8,300,677</u></u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12-31-11	\$ 1,948,993	36.1%	\$ 5,384,213
12-31-12	1,928,572	40.1%	6,539,338
12-31-13	2,463,473	28.5%	8,300,677

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$21,493,998, and the actuarial value of assets was \$0, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$21,493,998. The covered payroll (annual payroll of active employees covered by the plan) was not available, and the ratio of the UAAL to covered payroll was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after 10 years. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level dollar amount based on an open group. The remaining amortization period at December 31, 2013, was 22 years.

E. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The primary government contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report is available and may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of INPRS. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the primary government and the Utilities is not available. Therefore, the Net Pension Obligation is considered a liability of the primary government and is presented in the governmental activities of the financial statements and is not presented as a liability of the proprietary funds.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to 6 percent of the salary of a first class patrolman. The contribution requirements of plan members are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

the Statement of Net Position. The State of Indiana is required by Statute to reimburse the City for benefits paid and has contributed \$5,863,697 during 2013 on behalf of the City. The City has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the general fund.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

Plan members are required by state statute (IC 36-8-7-8) to contribute an amount equal to 6 percent of the salary of a first class fireman. The contribution requirements of plan members are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the Statement of Net Position. The State of Indiana is required by Statute to reimburse the City for benefits paid and has contributed \$5,035,292 during 2013 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the general fund.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 2,758,541	\$ 6,633,200	\$ 5,550,900
Interest on net pension obligation	181,503	2,080,000	1,544,600
Adjustment to annual required contribution	<u>(211,272)</u>	<u>(2,879,000)</u>	<u>(2,137,900)</u>
Annual pension cost	2,728,772	5,834,200	4,957,600
Contributions made	<u>2,457,505</u>	<u>5,868,322</u>	<u>5,036,457</u>
Increase (decrease) in net pension obligation	271,267	(34,122)	(78,857)
Net pension obligation, beginning of year	<u>2,688,937</u>	<u>34,667,265</u>	<u>25,743,816</u>
Net pension obligation, end of year	<u>\$ 2,960,204</u>	<u>\$ 34,633,143</u>	<u>\$ 25,664,959</u>

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	10.59%	1,543%	1,738%
Plan members	3%	6%	6%
Actuarial valuation date	06-30-13	01-01-13	01-01-13
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed 30 years	Level percentage of projected payroll, closed 30 years	Level percentage of projected payroll, closed 30 years
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	4-year smoothing of gains/losses on market value with a 20% corridor	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

<u>Actuarial Assumptions</u>	PERF	Officers' Pension	Firefighter' Pension
Investment rate of return	6.75%	6%	6%
Projected future salary increases:			
Total	3.25% to 4.5%	3.25%	3.25%
Cost-of-living adjustments	1%	3.25%	3.25%
Cost-of-living adjustments (converted)	1%	2.25%	2.25%

For financial reporting purposes the projection of benefits for these plans does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed.

Three Year Trend Information

Year Ending	PERF		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-11	\$ 2,543,982	63%	\$ 1,979,499
06-30-12	2,705,074	74%	2,688,937
06-30-13	2,728,772	90%	2,960,204

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

1925 Police Officers' Pension			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-11	\$ 6,726,600	96%	\$ 35,171,707
12-31-12	6,237,800	108%	34,667,265
12-31-13	5,834,200	101%	34,633,143

1937 Firefighters' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-11	\$ 5,971,600	93%	\$ 25,739,227
12-31-12	5,239,700	100%	25,743,816
12-31-13	4,957,600	102%	25,664,959

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2013, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	223	190
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	3	6

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of July 1, 2013, the most recent actuarial valuation date (except 1925 Police Officers' and 1937 Firefighters' pension funds which is as of January 1, 2013) is as follows:

Retirement Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL	Funded Ratio	Annual Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
PERF	06-30-13	\$ 22,259,873	\$ 40,791,780	\$ (18,531,907)	54.6%	\$ 26,036,363	(71)%
1925 Police Officers'	01-01-13	2,310,522	78,787,400	(76,476,878)	2.9%	430,000	(17,785)%
1937 Firefighters'	01-01-13	1,348,330	66,057,700	(64,709,370)	2.0%	319,300	(20,266)%

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

The Schedule of Funding Progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

d. Financial Statements for Defined Benefit Plans

Statements of Fiduciary Net Position

	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 435,434	\$ 239,066
Investments	1,270,283	697,421
Receivables:		
Interest	<u>1,845</u>	<u>1,018</u>
 Total assets	 <u>1,707,562</u>	 <u>937,505</u>
 <u>Liabilities</u>		
Accounts payable	-	12,000
Accrued payroll payable	<u>-</u>	<u>620</u>
 Total liabilities	 <u>-</u>	 <u>12,620</u>
 <u>Net Position</u>		
 Net Position held in trust for pension benefit obligations	 <u>\$ 1,707,562</u>	 <u>\$ 924,885</u>

CITY OF SOUTH BEND
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Statements of Changes in Fiduciary Net Position

	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
<u>Additions:</u>		
Contributions:		
On behalf	\$ 5,863,697	\$ 5,035,292
Plan members	881	-
Other	<u>4,854</u>	<u>-</u>
Total contributions	5,869,432	5,035,292
Investment income:		
Interest	<u>2,355</u>	<u>1,164</u>
Total additions	<u>5,871,787</u>	<u>5,036,456</u>
<u>Deductions:</u>		
Benefits and refunds paid to plan members and beneficiaries	6,463,447	5,458,690
Administrative expenses	<u>11,300</u>	<u>1,212</u>
Total deductions	<u>6,474,747</u>	<u>5,459,902</u>
Changes in net position	(602,960)	(423,446)
Net position - beginning	<u>2,310,522</u>	<u>1,348,331</u>
Net position - ending	<u>\$ 1,707,562</u>	<u>\$ 924,885</u>

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

CITY OF SOUTH BEND
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statute (IC 36-8-8 and IC 36-8-8.5) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46201
Phone (888) 526-1687

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6 percent of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 19.5 percent of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2013, 2012, and 2011 were \$4,189,100, \$4,294,453 and \$4,187,175, respectively, equal to the required contributions for each year.

CITY OF SOUTH BEND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-11	\$ 23,111,685	\$ 40,495,255	\$ (17,383,570)	57%	\$ 25,613,579	(68%)
07-01-12	19,348,101	40,445,286	(21,097,185)	48%	25,533,046	(83%)
07-01-13	22,259,873	40,791,780	(18,531,907)	55%	26,036,363	(71%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-08	\$ 3,522,332	\$ 85,203,100	\$ (81,680,768)	4.13%	\$ 652,500	(12,518%)
01-01-09	2,549,705	80,233,300	(77,683,595)	3.18%	611,000	(12,714%)
01-01-10	2,809,527	86,097,800	(83,288,273)	3.26%	569,500	(14,625%)
01-01-11	2,367,050	89,947,300	(87,580,250)	2.63%	542,900	(16,132%)
01-01-12	2,166,759	84,884,700	(82,717,941)	2.55%	421,800	(19,611%)
01-01-13	2,310,522	78,787,400	(76,476,878)	2.93%	430,000	(17,785%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-07	\$ 1,624,421	\$ 66,072,400	\$ (64,447,979)	2.46%	\$ 1,338,200	(4,816%)
01-01-08	2,968,691	58,489,000	(55,520,309)	5.08%	519,400	(10,689%)
01-01-09	2,285,165	70,369,900	(68,084,735)	3.25%	474,450	(14,350%)
01-01-10	2,162,207	74,950,900	(72,788,693)	2.88%	429,500	(16,947%)
01-01-11	1,815,026	79,076,500	(77,261,474)	2.30%	397,100	(19,456%)
01-01-12	1,718,166	70,308,800	(68,590,634)	2.44%	365,500	(18,766%)
01-01-13	1,348,330	66,057,700	(64,709,370)	2.04%	319,300	(20,266%)

Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-11	\$ -	\$ 17,641,023	\$ (17,641,023)	0.00%	n/a	n/a
01-01-12	-	18,649,906	(18,649,906)	0.00%	n/a	n/a
01-01-13	-	21,493,998	(21,493,998)	0.00%	n/a	n/a

n/a - Not applicable

CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12-31-08	\$ 6,421,500	79%
12-31-09	5,995,700	106%
12-31-10	6,673,100	87%
12-31-11	7,317,800	89%
12-31-12	6,986,200	97%
12-31-13	6,633,200	88%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
12-31-08	\$ 4,436,200	106%
12-31-09	5,259,600	103%
12-31-10	5,811,400	89%
12-31-11	6,399,700	86%
12-31-12	5,787,300	90%
12-31-13	5,550,900	91%

CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 39,000,000	\$ 39,000,000	\$ 36,251,397	\$ (2,748,603)
Licenses and permits	872,375	872,375	919,293	46,918
Intergovernmental	8,348,731	8,011,557	8,532,351	520,794
Charges for services	3,434,263	3,434,263	3,415,823	(18,440)
Fines and forfeits	25,920	25,920	34,307	8,387
Other	4,486,415	4,486,415	4,674,394	187,979
Total revenues	56,167,704	55,830,530	53,827,565	(2,002,965)
Expenditures:				
Current:				
General Government:				
Mayor				
Personnel services	522,002	530,849	509,868	20,981
Supplies	32,200	54,067	52,362	1,705
Other services and charges	48,469	109,313	79,262	30,051
Mayor - 311 Call Center				
Personnel services	269,102	269,102	256,411	12,691
Supplies	2,500	18,900	10,076	8,824
Other services and charges	28,500	32,100	11,224	20,876
Capital outlay	20,000			
City Clerk				
Personnel services	280,655	280,655	269,202	11,453
Supplies	7,988	21,488	15,327	6,161
Other services and charges	60,338	62,936	42,165	20,771
Capital outlay	13,400	91	-	91
Common Council				
Personnel services	289,758	289,758	189,822	99,936
Supplies	11,512	17,802	13,983	3,819
Other services and charges	181,736	181,736	145,116	36,620
Capital outlay	24,000	23,999	-	23,999
Other uses	2,102	2,102	-	2,102

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CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Expenditures (continued):				
Current (continued):				
General Government (continued):				
Administration/Finance				
Personnel services	1,606,388	1,535,638	1,493,377	42,261
Supplies	49,000	50,301	41,741	8,560
Other services and charges	168,683	291,789	278,143	13,646
City Attorney				
Personnel services	959,774	949,774	819,999	129,775
Supplies	8,684	21,700	21,510	190
Other services and charges	53,992	56,992	54,280	2,712
Human Rights				
Personnel services	256,834	256,834	241,726	15,108
Supplies	3,861	3,861	3,710	151
Other services and charges	82,542	82,542	68,619	13,923
Capital outlay	3,000	3,000	-	3,000
Energy Office				
Other services and charges	-	54,256	54,256	-
Neighborhood Code Enforcement				
Personnel services	929,883	983,883	920,598	63,285
Supplies	74,686	89,607	85,818	3,789
Other services and charges	967,329	987,329	865,890	121,439
Other uses	52,000	52,000	52,000	-
Capital outlay	158,000	158,000	71,482	86,518
Code Hearing Officer				
Supplies	-	4	4	-
Other services and charges	40,000	40,395	38,973	1,422
Total General Government	<u>7,208,918</u>	<u>7,512,803</u>	<u>6,706,944</u>	<u>805,859</u>
Public Safety:				
Police Department				
Personnel services	20,376,883	19,569,883	19,287,913	281,970
Supplies	369,052	927,988	857,880	70,108
Other services and charges	2,621,877	3,319,109	2,916,947	402,162
Capital outlay	280,000	228,396	159,181	69,215

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CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Expenditures (continued):				
Current (continued):				
Public Safety (continued):				
Police - PS LOIT Funded				
Personnel services	3,968,567	3,893,567	3,758,871	134,696
Communication Center				
Personnel services	2,127,777	2,123,012	2,036,925	86,087
Supplies	4,029	4,029	1,868	2,161
Other services and charges	24,519	24,519	22,420	2,099
Fire Department				
Personnel services	18,539,016	18,550,680	18,390,072	160,608
Supplies	381,726	398,387	387,719	10,668
Other services and charges	1,589,653	1,660,128	1,444,032	216,096
Other uses	8,088	-	-	-
Fire - PS LOIT Funded				
Personnel services	3,133,190	3,131,690	3,098,215	33,475
Junk Vehicle				
Personnel services	54,065	53,666	23,695	29,971
Supplies	1,082	1,232	833	399
Other services and charges	10,682	10,682	7,876	2,806
Animal Control				
Personnel services	436,947	423,607	397,129	26,478
Supplies	60,552	66,364	59,442	6,922
Other services and charges	91,339	106,140	96,431	9,709
Total Public Safety	<u>54,079,044</u>	<u>54,493,079</u>	<u>52,947,449</u>	<u>1,545,630</u>
Highways and Streets:				
Engineering				
Personnel services	637,072	633,572	613,116	20,456
Supplies	16,394	22,124	19,401	2,723
Other services and charges	701,652	737,865	677,876	59,989
Street Department				
Supplies	-	110,148	108,173	1,975
Other services and charges	-	1,667	1,363	304
Total Highways and Streets	<u>1,355,118</u>	<u>1,505,376</u>	<u>1,419,929</u>	<u>85,447</u>

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CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Current (continued):				
Culture and Recreation:				
Palais Royale Ballroom				
Personnel services	226,174	226,174	205,555	20,619
Supplies	14,700	21,130	10,363	10,767
Other services and charges	195,924	245,526	206,340	39,186
Capital outlay	30,400	-	-	-
Morris Performing Arts Center				
Personnel services	652,134	652,134	632,829	19,305
Supplies	28,550	30,346	23,433	6,913
Other services and charges	<u>324,532</u>	<u>351,320</u>	<u>290,231</u>	<u>61,089</u>
Total Culture and Recreation	<u>1,472,414</u>	<u>1,526,630</u>	<u>1,368,751</u>	<u>157,879</u>
Economic Development				
Unsafe Building				
Other services and charges	<u>107,684</u>	<u>53,684</u>	<u>26,052</u>	<u>27,632</u>
Total Economic Development	<u>107,684</u>	<u>53,684</u>	<u>26,052</u>	<u>27,632</u>
Total expenditures	<u>64,223,178</u>	<u>65,091,572</u>	<u>62,469,125</u>	<u>2,622,447</u>
Other financing sources (uses):				
Transfers in	<u>8,101,757</u>	<u>8,101,757</u>	<u>7,857,086</u>	<u>(244,671)</u>
Net change in fund balances	46,283	(1,159,285)	(784,474)	374,811
Fund balances - beginning	<u>28,205,848</u>	<u>28,205,848</u>	<u>28,205,848</u>	-
Fund balances - ending	<u>\$ 28,252,131</u>	<u>\$ 27,046,563</u>	<u>\$ 27,421,374</u>	<u>\$ 374,811</u>

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CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Park and Recreation Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 7,800,000	\$ 7,800,000	\$ 7,207,060	\$ (592,940)
Intergovernmental	1,292,887	1,229,090	1,315,849	86,759
Charges for services	3,146,140	3,146,140	3,083,133	(63,007)
Fines and forfeits	1,000	1,000	5,160	4,160
Other	186,099	186,099	157,003	(29,096)
Total revenues	<u>12,426,126</u>	<u>12,362,329</u>	<u>11,768,205</u>	<u>(594,124)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	7,991,934	7,836,634	7,609,507	227,127
Supplies	1,493,191	1,909,353	1,829,410	79,943
Other services and charges	2,341,267	2,689,081	2,611,986	77,095
Capital outlay	753,885	351,895	348,562	3,333
Total expenditures	<u>12,580,277</u>	<u>12,786,963</u>	<u>12,399,465</u>	<u>387,498</u>
Other financing sources (uses):				
Transfers out	(190,500)	(230,500)	(209,824)	20,676
Net change in fund balances	(344,651)	(655,134)	(841,084)	(185,950)
Fund balances - beginning	<u>4,885,352</u>	<u>4,885,352</u>	<u>4,885,352</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,540,701</u>	<u>\$ 4,230,218</u>	<u>\$ 4,044,268</u>	<u>\$ (185,950)</u>

(Continued on next page)

CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Public Safety LOIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
County option income tax	\$ 6,056,334	\$ 5,892,386	\$ 5,892,386	\$ -
Other	8,000	8,000	6,954	(1,046)
Total revenues	<u>6,064,334</u>	<u>5,900,386</u>	<u>5,899,339</u>	<u>(1,046)</u>
Other financing sources (uses):				
Transfers in	-	-	683,303	683,303
Transfers out	(7,101,757)	(7,101,757)	(7,540,389)	(438,632)
Total other financing sources (uses)	<u>(7,101,757)</u>	<u>(7,101,757)</u>	<u>(6,857,086)</u>	<u>244,671</u>
Net change in fund balances	(1,037,423)	(1,201,371)	(957,746)	243,625
Fund balances - beginning	<u>2,989,940</u>	<u>2,989,940</u>	<u>2,989,940</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,952,517</u>	<u>\$ 1,788,569</u>	<u>\$ 2,032,194</u>	<u>\$ 243,625</u>

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CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	COIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
County option income	\$ 7,691,991	\$ 7,846,940	\$ 7,846,939	\$ (1)
Other	<u>885,932</u>	<u>928,832</u>	<u>662,117</u>	<u>(266,715)</u>
Total revenues	<u>8,577,923</u>	<u>8,775,772</u>	<u>8,509,056</u>	<u>(266,716)</u>
Expenditures:				
Current:				
General government:				
Supplies	1,138,808	1,476,918	1,229,333	247,585
Other services and charges	5,970,478	7,086,055	6,895,285	190,770
Capital outlay	791,755	678,562	349,186	329,376
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,901,041</u>	<u>9,241,535</u>	<u>8,473,805</u>	<u>767,730</u>
Other financing sources (uses):				
Transfers out	<u>(676,882)</u>	<u>(676,882)</u>	<u>(676,882)</u>	<u>-</u>
Net change in fund balances	-	(1,142,645)	(641,631)	501,014
Fund balances - beginning	<u>15,327,002</u>	<u>15,327,002</u>	<u>15,327,002</u>	<u>-</u>
Fund balances - ending	<u>\$ 15,327,002</u>	<u>\$ 14,184,357</u>	<u>\$ 14,685,372</u>	<u>\$ 501,014</u>

(Continued on next page)

CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES -
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	EDIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
County economic development income tax	\$ 8,324,626	\$ 8,177,352	\$ 8,177,352	\$ -
Other	<u>554,660</u>	<u>554,660</u>	<u>607,726</u>	<u>53,066</u>
Total revenues	<u>8,879,286</u>	<u>8,732,012</u>	<u>8,785,078</u>	<u>53,066</u>
Expenditures:				
General government:				
Other services and charges	4,213,119	4,571,389	4,266,813	304,576
Capital outlay	-	4,471	-	4,471
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,213,119</u>	<u>4,575,860</u>	<u>4,266,813</u>	<u>309,047</u>
Other financing sources (uses):				
Transfers out	<u>(4,417,519)</u>	<u>(4,417,519)</u>	<u>(4,417,519)</u>	<u>-</u>
Net change in fund balances	248,648	(261,367)	100,746	362,113
Fund balances - beginning	<u>9,984,411</u>	<u>9,984,411</u>	<u>9,984,411</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,233,059</u>	<u>\$ 9,723,044</u>	<u>\$ 10,085,157</u>	<u>\$ 362,113</u>

CITY OF SOUTH BEND
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2013

The major differences between budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- c. Encumbrances are recorded as expenditures for budgetary purposes when purchase orders are issued.

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	General	Park and Recreation	Public Safety LOIT	COIT	EDIT
Net change in fund balances (budgetary basis)	\$ (784,474)	\$ (841,084)	\$ (957,746)	\$ (641,631)	\$ 100,746
Adjustments:					
To adjust revenues for accruals	(1,471,787)	(122,661)	(3,900)	(4,389)	(2,852,909)
To adjust expenditures for accruals	303,993	119,056	(235,645)	(559,280)	2,788,087
To adjust expenditures for encumbrances	<u>826,098</u>	<u>216,349</u>	<u>-</u>	<u>220,263</u>	<u>756,971</u>
Net change in fund balances (GAAP basis)	<u>\$ (1,126,170)</u>	<u>\$ (628,340)</u>	<u>\$ (1,197,291)</u>	<u>\$ (985,037)</u>	<u>\$ 792,895</u>

CITY OF SOUTH BEND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Note I. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- A. After conferring with the Common Council President and several department heads, the City Controller submits to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Prior to adoption, the City advertises the budget and the Common Council holds public hearings to obtain taxpayer comments. The Common Council may reduce, but not increase the budget from the advertised amounts.
- C. No later than November 1 of each year, the budget for the next year is approved by the Common Council through the passage of an ordinance.
- D. Copies of the budget ordinance and advertisements for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance for their review and approval. The budget becomes legally enacted after the City Controller receives approval from the Indiana Department of Local Government Finance. This approval is required by Indiana Statute and ad valorem property tax rates are to be set by February 15 of the year budgeted. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the City's expenditures budget. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the City.
- E. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the General fund, which is by object classification within each department. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. Any revisions that alter the total appropriations for any fund or any department of the General fund must be approved by the Common Council and, in some instances, by the Indiana Department of Local Government Finance. Formal budgetary integration is required by state statute and is employed as a management control method.
- F. Formal budgetary integration is required by State statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General fund

Special revenue funds - park and recreation, public safety local option income tax (LOIT), county option income tax (COIT), economic development income tax (EDIT)

Capital projects fund - TIF Airport

CITY OF SOUTH BEND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

Nonmajor governmental funds:

Special revenue funds - motor vehicle highway, recreation non-reverting, Studebaker Oliver revitalization grants, economic development State grants, DCI operating, community investment grants, police state seizure, juvenile positive assistance, law enforcement continuing education, loss recovery, local road and street, excess welfare distribution, human rights-federal, East Race waterway, Morris and Palais marketing, police block grants, economic development commission, hazmat, Indiana river rescue, COPS block grant II, regional police academy, COPS MORE grant, federal drug enforcement, gift, urban development action grant, leaf collection and removal, police K-9 unit, rainy day

Debt service fund - College Football Hall of Fame debt service, redevelopment bond - airport taxable, Coveleski bond debt service reserve, redevelopment bond - Palais Royale

Capital projects funds - emergency medical services, professional sports development, Coveleski stadium capital, zoo endowment, park non-reverting capital, cumulative capital development, cumulative capital improvement, Morris Performing Arts Center capital, TIF downtown, TIF Leighton Plaza, TIF - West Washington, redevelopment general, community revitalization enhancement district, TIF No. 1 - southside development, TIF No. 3 - southside development, TIF - central medical service area, Football Hall of Fame capital, Major Moves, TIF - northeast development, TIF Douglas road, TIF northeast residential, certified technology park, Palais Royale historic preservation, airport urban enterprise zone

- G. The City's budgetary process is based upon cash outflows, which is a Non-GAAP basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Common Council and approved by the Indiana Department of Local Government Finance in the regular legal manner. The net effect of individual amendments to the budget increased the original appropriations by \$24,097,397 in 2013.
- I. Expenditures did not exceed appropriations for any funds or any departments within the General fund which required legally approved budgets.



III Government Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Motor Vehicle Highway -	To account for street construction and the operations of the street maintenance department. Financing is provided by state motor vehicle highway distributions.
Recreation Non-Reverting -	To account for fees and related expenses from park department activities.
Studebaker/Oliver Revitalization Grants -	To account for expenditures related to the Studebaker and Oliver revitalization projects. Financing is provided by federal and state grants and loans from other organizations.
Economic Development State Grants -	To account for expenditures related to projects promoting economic development. Financing is provided by state grants and loan payments. Expenditures include grants and related expenses.
DCI Operating -	To account for the operating expenditures related to the South Bend Department of Community Investment. Financing will be provided by revenues received from charges for services, other revenue sources, and from fund transfers.
Community Investment Grants -	To account for revenues received from the U.S. Department of Housing and Urban Development related to community improvement projects.
Police State Seizure -	To account for law enforcement expenditures financed by the authorized state or local agencies' sale of confiscated property.
Juvenile Positive Assistance -	To account for monies received from penalties paid for curfew violations. Expenditures include Drug Abuse Resistance Education and Juvenile Aid Bureau.
Law Enforcement Continuing Education -	To account for police fees collected to finance police officers' continuing education, training, and supplies and equipment.
Loss Recovery -	To account for compensatory or exemplary damage payments from third parties arising from loss or damage to City tangible or intangible property.
Emergency Telephone System -	To account for 9-1-1 revenues from the county as well as state grants
Local Road and Street -	To account for operation and maintenance of local and arterial road and street systems. Financing is provided by state gasoline tax distributions.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Excess Welfare Distribution -	To account for a special distribution from the County that can only be spent on public safety expenditures.
Human Rights - Federal -	To account for expenditures to prevent discrimination and to promote human rights. Financing is provided by federal grants.
East Race Waterway -	To account for donations for the promotion and development of the East Race Waterway.
Morris and Palais Marketing -	To account for marketing and promotion expenditures financed by sponsorship solicitations and donations.
Police Block Grants -	To account for federal grants which provide financing for police activities.
Economic Development Commission -	To account for administrative expenditures of the Economic Development Commission. Financing is provided by fees from businesses applying for Economic Development Revenue Bonds.
Hazmat -	To account for monies generated by the South Bend Fire Department's response to hazardous materials incidents. Funds are used to purchase, repair, or replace haz-mat equipment, or for training and supplies.
Indiana River Rescue -	To account for expenditures related to river rescue training. Financing is provided by registration fees.
COPS Block Grant II -	To account for federal grants which provide financing for police activities.
Regional Police Academy -	To account for revenues (tuition) and expenditures (seminars, travel, lectures, and career days) related to the advancement of present and future police officers.
COPS MORE Grant -	To account for a COPS MORE grant which provides financing for police activities.
Federal Drug Enforcement -	To account for expenditures for drug enforcement. Financing is provided by distributions from the authorized federal agencies' confiscated property sale.
Gift -	To account for donations, gifts, or bequeaths for purposes designated by the donor.
Urban Development Action Grant -	To account for economic development expenditures which are financed by federal grants and loan repayments.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Leaf Collection and Removal -	To account for the expenditures of a program to remove leaves from the City each fall. Financing is provided by a monthly service fee charged to all City residents.
Police K-9 Unit -	To account for donations for development and maintenance of the K-9 unit.
Rainy Day -	To account for unused and unencumbered funds that are transferred from a fund that has a tax levy. Revenues in this fund also include special distributions of county option income tax (COIT) and county economic development income tax (CEDIT).
Industrial Revolving -	To account for the revenue and expenditures of providing special loans to qualifying local firms. Financing was originally provided by a \$5,000,000 Economic Adjustment Assistance Grant from the U.S. Department of Commerce.

Debt Service Funds

College Football Hall of Fame Debt Service -	To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of the College Football Hall of Fame. Financing is to be provided by an annual property tax levy.
Redevelopment Bond - Airport Taxable -	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the airport taxable project.
Coveleski Bond Debt Service Reserve -	To accumulate monies as a reserve for the payment of the Coveleski Stadium recovery zone economic development bonds. Financing for debt payments is to be provided by professional sports and convention development area taxes (PSCDA) and county option income tax revenues if PSCDA revenues are insufficient.
Redevelopment Bond - Palais Royale	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the Palais Royale project.
Redevelopment Authority Debt Service -	To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of a parking garage facility, bonds issued for central development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued to refinance bonds issued for construction of Century Center improvements, and bonds issued to refinance bonds issued for renovations to the Morris Performing Art Center.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

South Bend Building
Corporation Debt
Service -

To account for debt retirement of the Building Corporation's Mortgage Bonds. Funding is provided by transfers from other City funds.

TIF Erskine Village
Debt Service -

To account for Erskine Village project debt retirement of the south side tax incremental financing (TIF) district. Financing is provided by transfers from the TIF South Side Development fund.

Capital Projects Funds

Emergency Medical
Services -

To account for purchases of necessary equipment for the Fire Department and Emergency Medical Services Department. Financing is provided by ambulance fees.

Professional Sports
Development -

To account for Hotel/Motel Tax and Professional Sports Development Tax revenues dedicated towards the College Football Hall of Fame. Based on an agreement with the National Football Foundation (NFF), the City pays the NFF to assist with the operation and capital costs.

Coveleski Stadium
Capital -

To account for expenditures related to the maintenance and improvement of the baseball stadium. Financing is provided by a rental paid by the semi-pro baseball team.

Zoo Endowment -

To account for construction projects at the City's zoo. Financing is provided by gifts and donations.

Park Non-Reverting
Capital -

To account for specific revenues used to finance capital improvements at the City parks.

Cumulative Capital
Development -

To account for expenditures relating to the purchase or lease of capital improvements in the City. Financing is provided by a specific property tax levy.

Cumulative Capital
Improvement -

To account for state cigarette tax distributions used for improvement projects.

Morris Performing Art
Center Capital -

To accumulate monies for major repairs and capital improvements to the Morris Civic Auditorium. Financing is provided by a surcharge on ticket sales for events held at the auditorium.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Tax Incremental Financing (TIF) - Downtown -	To account for expenditures for public improvements in the central business tax incremental district. Also, transfers are made to debt service funds to meet debt obligations as they mature. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Tax Incremental Financing (TIF) - Leighton Plaza -	To account for expenditures for public improvement projects in the Leighton Plaza tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.
Tax Incremental Financing (TIF) - West Washington -	To account for expenditures for public improvement projects in the West Washington Economic Development Area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.
Redevelopment General -	To account for eligible redevelopment activities in the Studebaker Corridor financed by proceeds from land sales or leases.
Community Revitalization Enhancement District -	To account for public improvements in the Studebaker/Oliver Community Revitalization Enhancement District. Financing is provided by income tax and gross retail tax increments in the district.
Tax Incremental Financing (TIF) No. 1 - Southside Development -	To account for expenditures for improvements in the Southside Development Tax incremental district no. 1. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Tax Incremental Financing (TIF) No. 3 - Southside Development -	To account for expenditures for improvements in the Southside Development Tax incremental district no. 3. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Tax Incremental Financing (TIF) - Central Medical Service Area -	To account for expenditures for public improvements in the central business tax incremental district, medical service area. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Football Hall of Fame Capital -	To account for capital expenditures for the College Football Hall of Fame. Financing was provided by a transfer from the City's Professional Sports Development fund. This fund also accounts for the advance from the General fund which may be repaid from future operating surpluses.
Major Moves -	To account for state distributions used for road construction and other uses authorized by Indiana statute.
Tax Incremental Financing (TIF) - Northeast Development -	To account for expenditures for improvements in the northeast development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Tax Incremental Financing (TIF) - Douglas Road -	To account for expenditures for improvements in the Douglas Road development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Tax Incremental Financing (TIF) - Northeast Residential -	To account for expenditures for improvements in the Northeast Neighborhood Residential development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
Certified Technology Park -	To account for expenditures related to acquisition, improvements, construction and maintenance of public facilities, debt service and other permitted uses under Indiana Code 36-7-32-23 in connection with a certified technology park. Financing is provided by property tax proceeds, state gross retail and uses taxes, and other revenues.
Palais Royale Historic Preservation -	To account for expenditures financed by a 2 percent fee charged for all Palais Royale services.
Airport Urban Enterprise Zone -	To account expenditures for improvements in the Zone area, financed by property taxes on qualifying properties in the Zone.
Equipment Leasing -	To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013

	Special Revenue					
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating	Community Investment Grants
Assets						
Cash and cash equivalents	\$ 937,790	\$ 198,328	\$ 276,090	\$ 88,927	\$ 231,221	\$ 150,397
Cash with fiscal agent	-	-	-	-	-	-
Investments	2,735,795	578,581	805,433	259,424	674,534	438,750
Receivables (net of allowances for uncollectibles):						
Interest	3,959	834	1,161	388	975	704
Taxes	-	-	-	-	-	-
Accounts	5,232	6,972	-	-	3,050	105,009
Intergovernmental	386,597	-	-	-	-	-
Loans	-	-	-	482,021	-	340,477
Interfund receivable:						
Interfund services provided and used	-	1,487	-	-	-	-
Advances to other funds	-	-	500,000	-	-	-
Property held for sale	-	-	3,551	-	-	3,155,452
Total assets	\$ 4,069,373	\$ 786,202	\$ 1,586,235	\$ 830,760	\$ 909,780	\$ 4,190,789
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 105,146	\$ 9,425	\$ -	\$ -	\$ 9,973	\$ 203,083
Accrued payroll payable	138,460	7,485	-	-	62,301	-
Interfund payable:						
Interfund services provided and used	598	-	-	-	-	15,765
Other current payables	-	-	-	-	-	3,592
Advances from other funds	-	-	-	-	-	-
Total liabilities	244,204	16,910	-	-	72,274	222,440
Fund balances:						
Nonspendable:						
Property held for resale	-	-	3,551	-	-	3,155,452
Restricted	3,825,169	769,292	1,082,684	830,760	-	812,897
Committed	-	-	500,000	-	-	-
Assigned	-	-	-	-	837,506	-
Unassigned	-	-	-	-	-	-
Total fund balances	3,825,169	769,292	1,586,235	830,760	837,506	3,968,349
Total liabilities and fund balances	\$ 4,069,373	\$ 786,202	\$ 1,586,235	\$ 830,760	\$ 909,780	\$ 4,190,789

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Special Revenue				
	Police State Seizure	Juvenile Positive Assistance	Law Enforcement Continuing Education	Loss Recovery	Emergency Telephone System
<u>Assets</u>					
Cash and cash equivalents	\$ 40,435	\$ 2,943	\$ 250,056	\$ 2,022,421	\$ -
Cash with fiscal agent	-	-	-	-	-
Investments	117,959	8,585	729,482	5,899,962	-
Receivables (net of allowances for uncollectibles):					
Interest	170	12	1,051	8,503	-
Taxes	-	-	-	-	-
Accounts	-	-	16,384	-	-
Intergovernmental	-	-	-	-	215,000
Loans	-	-	-	-	-
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	\$ 158,564	\$ 11,540	\$ 996,973	\$ 7,930,886	\$ 215,000
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ 40	\$ 11,958	\$ -
Accrued payroll payable	-	-	-	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	-
Other current payables	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	-	40	11,958	-
<u>Fund balances:</u>					
<u>Nonspendable:</u>					
Property held for resale	-	-	-	-	-
Restricted	158,564	-	996,933	-	215,000
Committed	-	11,540	-	7,918,928	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	158,564	11,540	996,933	7,918,928	215,000
Total liabilities and fund balances	\$ 158,564	\$ 11,540	\$ 996,973	\$ 7,930,886	\$ 215,000

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Special Revenue				
	Local Road and Street	Excess Welfare Distribution	Human Rights Federal	East Race Waterway	Morris and Palais Marketing
<u>Assets</u>					
Cash and cash equivalents	\$ 494,740	\$ 293	\$ 118,953	\$ 3,663	\$ 7,132
Cash with fiscal agent	-	-	-	-	-
Investments	1,443,295	855	347,019	10,685	20,806
Receivables (net of allowances for uncollectibles):					
Interest	2,080	1	501	15	30
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	86,900	-	-	-	-
Loans	-	-	-	-	-
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	\$ 2,027,015	\$ 1,149	\$ 466,473	\$ 14,363	\$ 27,968
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 31,522	\$ -	\$ 6,347	\$ -	\$ -
Accrued payroll payable	-	-	3,629	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	-
Other current payables	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	31,522	-	9,976	-	-
<u>Fund balances:</u>					
<u>Nonspendable:</u>					
Property held for resale	-	-	-	-	-
Restricted	1,995,493	1,149	456,497	-	-
Committed	-	-	-	14,363	27,968
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,995,493	1,149	456,497	14,363	27,968
Total liabilities and fund balances	\$ 2,027,015	\$ 1,149	\$ 466,473	\$ 14,363	\$ 27,968

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Special Revenue				
	Police Block Grants	Economic Development Commission	Hazmat	Indiana River Rescue	COPS Block Grant II
Assets					
Cash and cash equivalents	\$ 973	\$ 6,913	\$ 4,130	\$ 24,393	\$ 52,117
Cash with fiscal agent	-	-	-	-	-
Investments	2,838	20,168	12,049	71,161	152,040
Receivables (net of allowances for uncollectibles):					
Interest	4	29	17	103	210
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	\$ 3,815	\$ 27,110	\$ 16,196	\$ 95,657	\$ 204,367
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,259	\$ -
Accrued payroll payable	-	-	-	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	-
Other current payables	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	-	-	1,259	-
Fund balances:					
Nonspendable:					
Property held for resale	-	-	-	-	-
Restricted	3,815	-	-	-	204,367
Committed	-	27,110	16,196	-	-
Assigned	-	-	-	94,398	-
Unassigned	-	-	-	-	-
Total fund balances	3,815	27,110	16,196	94,398	204,367
Total liabilities and fund balances	\$ 3,815	\$ 27,110	\$ 16,196	\$ 95,657	\$ 204,367

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Special Revenue				
	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Gift	Urban Development Action Grant
<u>Assets</u>					
Cash and cash equivalents	\$ 17,350	\$ 28,884	\$ 385,160	\$ 19,045	\$ 7,030
Cash with fiscal agent	-	-	-	-	-
Investments	50,617	84,264	-	55,560	20,509
Receivables (net of allowances for uncollectibles):					
Interest	73	121	91	80	30
Taxes	-	-	-	-	-
Accounts	2,250	30	-	-	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	1,768,852
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	\$ 70,290	\$ 113,299	\$ 385,251	\$ 74,685	\$ 1,796,421
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 136	\$ -	\$ 2,044	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	-
Other current payables	-	-	-	-	-
Advances from other funds	-	-	-	-	2,027,973
Total liabilities	136	-	2,044	-	2,027,973
<u>Fund balances:</u>					
<u>Nonspendable:</u>					
Property held for resale	-	-	-	-	-
Restricted	-	113,299	383,207	74,685	1,768,852
Committed	70,154	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(2,000,404)
Total fund balances	70,154	113,299	383,207	74,685	(231,552)
Total liabilities and fund balances	\$ 70,290	\$ 113,299	\$ 385,251	\$ 74,685	\$ 1,796,421

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Special Revenue				
	Leaf Collection and Removal	Police K-9 Unit	Rainy Day	Industrial Revolving	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ 239,187	\$ 335	\$ 2,196,138	\$ 2,674,180	\$ 10,479,224
Cash with fiscal agent	-	-	-	-	-
Investments	697,776	976	6,406,744	-	21,645,867
Receivables (net of allowances for uncollectibles):					
Interest	1,005	2	9,233	7,450	38,832
Taxes	-	-	-	-	-
Accounts	37,154	-	-	-	176,081
Intergovernmental	-	-	-	-	688,497
Loans	-	-	-	4,419,860	7,011,210
Interfund receivable:					
Interfund services provided and used	-	-	-	-	1,487
Advances to other funds	-	-	-	-	500,000
Property held for sale	-	-	-	97,800	3,256,803
Total assets	<u>\$ 975,122</u>	<u>\$ 1,313</u>	<u>\$ 8,612,115</u>	<u>\$ 7,199,290</u>	<u>\$ 43,798,001</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 4,218	\$ 385,151
Accrued payroll payable	1,309	-	-	-	213,184
Interfund payable:					
Interfund services provided and used	-	-	-	-	16,363
Other current payables	-	-	-	-	3,592
Advances from other funds	-	-	-	-	2,027,973
Total liabilities	<u>1,309</u>	<u>-</u>	<u>-</u>	<u>4,218</u>	<u>2,646,263</u>
<u>Fund balances:</u>					
Nonspendable:					
Property held for resale	-	-	-	97,800	3,256,803
Restricted	-	-	-	7,097,272	20,789,935
Committed	-	-	-	-	8,586,259
Assigned	973,813	1,313	8,612,115	-	10,519,145
Unassigned	-	-	-	-	(2,000,404)
Total fund balances	<u>973,813</u>	<u>1,313</u>	<u>8,612,115</u>	<u>7,195,072</u>	<u>41,151,738</u>
Total liabilities and fund balances	<u>\$ 975,122</u>	<u>\$ 1,313</u>	<u>\$ 8,612,115</u>	<u>\$ 7,199,290</u>	<u>\$ 43,798,001</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Debt Service			
	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
<u>Assets</u>				
Cash and cash equivalents	\$ 185,046	\$ 264,755	\$ 128,305	\$ 442,362
Cash with fiscal agent	-	-	-	-
Investments	530,371	772,362	374,301	1,290,492
Receivables (net of allowances for uncollectibles):				
Interest	732	980	540	1,860
Taxes	6,349	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Loans	-	-	-	-
Interfund receivable:				
Interfund services provided and used	-	-	-	-
Advances to other funds	-	-	-	-
Property held for sale	-	-	-	-
Total assets	\$ 722,498	\$ 1,038,097	\$ 503,146	\$ 1,734,714
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll payable	-	-	-	-
Interfund payable:				
Interfund services provided and used	-	-	-	223
Other current payables	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	223
<u>Fund balances:</u>				
Nonspendable:				
Property held for resale	-	-	-	-
Restricted	722,498	1,038,097	503,146	1,734,491
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	722,498	1,038,097	503,146	1,734,491
Total liabilities and fund balances	\$ 722,498	\$ 1,038,097	\$ 503,146	\$ 1,734,714

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Debt Service			Totals
	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	
<u>Assets</u>				
Cash and cash equivalents	\$ 3,980,899	\$ 595,831	\$ 561,102	\$ 6,158,300
Cash with fiscal agent	-	-	-	-
Investments	-	-	-	2,967,526
Receivables (net of allowances for uncollectibles):				
Interest	-	-	6	4,118
Taxes	-	-	-	6,349
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Loans	-	-	-	-
Interfund receivable:				
Interfund services provided and used	-	-	-	-
Advances to other funds	-	-	-	-
Property held for sale	-	-	-	-
Total assets	<u>\$ 3,980,899</u>	<u>\$ 595,831</u>	<u>\$ 561,108</u>	<u>\$ 9,136,293</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll payable	-	-	-	-
Interfund payable:				
Interfund services provided and used	-	-	-	223
Other current payables	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>
<u>Fund balances:</u>				
<u>Nonspendable:</u>				
Property held for resale	-	-	-	-
Restricted	3,980,899	595,831	561,108	9,136,070
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>3,980,899</u>	<u>595,831</u>	<u>561,108</u>	<u>9,136,070</u>
Total liabilities and fund balances	<u>\$ 3,980,899</u>	<u>\$ 595,831</u>	<u>\$ 561,108</u>	<u>\$ 9,136,293</u>

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CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Capital Projects					
	Emergency Medical Services	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment	Park Nonreverting Capital	Cumulative Capital Development
<u>Assets</u>						
Cash and cash equivalents	\$ 1,415,532	\$ 214,590	\$ 6,843	\$ 12,493	\$ 145,995	\$ 200,253
Cash with fiscal agent	-	-	-	-	-	-
Investments	4,129,499	626,019	19,961	36,445	425,910	584,194
Receivables (net of allowances for uncollectibles):						
Interest	5,913	899	29	53	606	840
Taxes	-	-	-	-	-	2,284
Accounts	242,964	-	-	-	-	-
Intergovernmental	-	114,274	-	-	-	-
Loans	-	-	-	-	-	-
Interfund receivable:						
Interfund services provided and used	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Property held for sale	-	-	-	-	-	-
Total assets	<u>\$ 5,793,908</u>	<u>\$ 955,782</u>	<u>\$ 26,833</u>	<u>\$ 48,991</u>	<u>\$ 572,511</u>	<u>\$ 787,571</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 563,292	\$ -	\$ -	\$ -	\$ 20,389	\$ -
Accrued payroll payable	-	-	-	-	-	-
Interfund payable:						
Interfund services provided and used	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>563,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,389</u>	<u>-</u>
<u>Fund balances:</u>						
<u>Nonspendable:</u>						
Property held for resale	-	-	-	-	-	-
Restricted	-	955,782	-	-	552,122	787,571
Committed	5,230,616	-	26,833	48,991	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>5,230,616</u>	<u>955,782</u>	<u>26,833</u>	<u>48,991</u>	<u>552,122</u>	<u>787,571</u>
Total liabilities and fund balances	<u>\$ 5,793,908</u>	<u>\$ 955,782</u>	<u>\$ 26,833</u>	<u>\$ 48,991</u>	<u>\$ 572,511</u>	<u>\$ 787,571</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Capital Projects					
	Cumulative Capital Improvement	Morris Performing Arts Center Capital	TIF Downtown	TIF Leighton Plaza	TIF - West Washington	Redevelopment General
<u>Assets</u>						
Cash and cash equivalents	\$ 45,036	\$ 116,414	\$ 663,725	\$ 22,618	\$ 156,207	\$ 6,561
Cash with fiscal agent	-	-	-	50,162	-	-
Investments	131,384	339,611	1,936,270	65,985	455,700	19,142
Receivables (net of allowances for uncollectibles):						
Interest	189	489	2,761	95	649	27
Taxes	-	-	982,818	-	62,044	-
Accounts	-	3,705	-	2,192	-	-
Intergovernmental	-	-	-	-	-	-
Loans	-	-	683,474	-	-	-
Interfund receivable:						
Interfund services provided and used	-	-	223	-	-	-
Advances to other funds	-	-	-	-	-	-
Property held for sale	-	-	5,399,940	-	436,690	-
Total assets	\$ 176,609	\$ 460,219	\$ 9,669,211	\$ 141,052	\$ 1,111,290	\$ 25,730
<u>Liabilities and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	\$ -	\$ -	\$ 54,059	\$ -	\$ 319	\$ 6,072
Accrued payroll payable	-	-	-	-	-	-
Interfund payable:						
Interfund services provided and used	-	-	3,150	-	-	-
Other current payables	-	-	-	12,273	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	-	-	57,209	12,273	319	6,072
<u>Fund balances:</u>						
Nonspendable:						
Property held for resale	-	-	5,399,940	-	436,690	-
Restricted	176,609	-	4,212,062	128,779	674,281	-
Committed	-	460,219	-	-	-	-
Assigned	-	-	-	-	-	19,658
Unassigned	-	-	-	-	-	-
Total fund balances	176,609	460,219	9,612,002	128,779	1,110,971	19,658
Total liabilities and fund balances	\$ 176,609	\$ 460,219	\$ 9,669,211	\$ 141,052	\$ 1,111,290	\$ 25,730

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Capital Projects				
	Community Revitalization Enhancement District	TIF No. 1 - Southside Development	TIF No. 3 - Southside Development	TIF-Central Medical Service Area	Football Hall of Fame Capital
<u>Assets</u>					
Cash and cash equivalents	\$ 9,537	\$ 876,561	\$ 1,632,913	\$ 823,749	\$ 167,789
Cash with fiscal agent	-	-	-	-	-
Investments	-	2,557,171	4,763,660	2,403,103	489,486
Receivables (net of allowances for uncollectibles):					
Interest	30	3,671	6,844	3,448	705
Taxes	-	83,236	-	800,613	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for sale	105,000	-	-	-	-
Total assets	<u>\$ 114,567</u>	<u>\$ 3,520,639</u>	<u>\$ 6,403,417</u>	<u>\$ 4,030,913</u>	<u>\$ 657,980</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ 81,949	\$ 656	\$ 1,701,457	\$ 445
Accrued payroll payable	-	-	-	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	687
Other current payables	-	-	-	-	-
Advances from other funds	-	-	-	-	656,848
Total liabilities	<u>-</u>	<u>81,949</u>	<u>656</u>	<u>1,701,457</u>	<u>657,980</u>
<u>Fund balances:</u>					
Nonspendable:					
Property held for resale	105,000	-	-	-	-
Restricted	9,567	3,438,690	6,402,761	2,329,456	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>114,567</u>	<u>3,438,690</u>	<u>6,402,761</u>	<u>2,329,456</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 114,567</u>	<u>\$ 3,520,639</u>	<u>\$ 6,403,417</u>	<u>\$ 4,030,913</u>	<u>\$ 657,980</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Capital Projects				
	Major Moves	TIF - Northeast Development	TIF Douglas Road	TIF - Northeast Residential	Certified Technology Park
<u>Assets</u>					
Cash and cash equivalents	\$ 1,820,553	\$ 766,761	\$ 75,076	\$ 650,882	\$ 938,474
Cash with fiscal agent	-	-	-	-	-
Investments	5,311,057	2,236,854	219,018	1,898,804	2,737,788
Receivables (net of allowances for uncollectibles):					
Interest	7,655	3,211	310	2,707	3,945
Taxes	-	253,587	-	214,435	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Interfund receivable:					
Interfund services provided and used	-	-	-	-	-
Advances to other funds	5,912,837	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	\$ 13,052,102	\$ 3,260,413	\$ 294,404	\$ 2,766,828	\$ 3,680,207
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 29,594	\$ 616	\$ 160	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-
Interfund payable:					
Interfund services provided and used	-	-	-	-	-
Other current payables	-	-	-	-	-
Advances from other funds	-	-	923,829	4,989,008	-
Total liabilities	29,594	616	923,989	4,989,008	-
<u>Fund balances:</u>					
<u>Nonspendable:</u>					
Property held for resale	-	-	-	-	-
Restricted	7,109,671	3,259,797	-	-	3,680,207
Committed	5,912,837	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(629,585)	(2,222,180)	-
Total fund balances	13,022,508	3,259,797	(629,585)	(2,222,180)	3,680,207
Total liabilities and fund balances	\$ 13,052,102	\$ 3,260,413	\$ 294,404	\$ 2,766,828	\$ 3,680,207

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013
 (Continued)

	Capital Projects				Total Nonmajor Governmental Funds
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing	Totals	
<u>Assets</u>					
Cash and cash equivalents	\$ 13,607	\$ 95,915	\$ 431,603	\$ 11,309,687	\$ 27,947,211
Cash with fiscal agent	-	-	-	50,162	50,162
Investments	39,690	279,810	-	31,706,561	56,319,954
Receivables (net of allowances for uncollectibles):					
Interest	57	434	-	45,567	88,517
Taxes	-	-	-	2,399,017	2,405,366
Accounts	1,758	-	-	250,619	426,700
Intergovernmental	-	-	-	114,274	802,771
Loans	-	-	-	683,474	7,694,684
Interfund receivable:					
Interfund services provided and used	-	-	-	223	1,710
Advances to other funds	-	-	-	5,912,837	6,412,837
Property held for sale	-	-	-	5,941,630	9,198,433
Total assets	\$ 55,112	\$ 376,159	\$ 431,603	\$ 58,414,051	\$ 111,348,345
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,459,008	\$ 2,844,159
Accrued payroll payable	-	-	-	-	213,184
Interfund payable:					
Interfund services provided and used	-	-	-	3,837	20,423
Other current payables	-	-	-	12,273	15,865
Advances from other funds	-	-	-	6,589,685	8,597,658
Total liabilities	-	-	-	9,044,803	11,691,289
<u>Fund balances:</u>					
Nonspendable:					
Property held for resale	-	-	-	5,941,630	9,198,433
Restricted	-	-	431,603	34,148,958	64,074,963
Committed	55,112	376,159	-	12,110,767	20,697,026
Assigned	-	-	-	19,658	10,538,803
Unassigned	-	-	-	(2,851,765)	(4,852,169)
Total fund balances	55,112	376,159	431,603	49,369,248	99,657,056
Total liabilities and fund balances	\$ 55,112	\$ 376,159	\$ 431,603	\$ 58,414,051	\$ 111,348,345

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013

	Special Revenue					
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating	Community Investment Grants
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-	-
Intergovernmental	4,924,283	-	-	-	467,180	4,099,370
Charges for services	451,013	889,028	-	-	306,605	-
Fines and forfeits	-	-	-	-	-	-
Interest	7,468	1,610	2,081	17,740	1,522	1,335
Donations	-	-	-	-	-	-
Sale of property	8,786	-	-	-	-	-
Other	17,259	74,427	-	79,606	747	436,398
Total revenues	5,408,809	965,065	2,081	97,346	776,054	4,537,103
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	7,584,403	-	-	-	-	-
Economic development	-	-	1	-	2,168,088	4,893,418
Culture and recreation	-	885,429	-	-	-	-
Debt service:						
Principal	110,844	-	-	402,633	-	-
Interest and fiscal charges	6,711	-	-	42,600	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	7,701,958	885,429	1	445,233	2,168,088	4,893,418
Excess (deficiency) of revenues over (under) expenditures	<u>(2,293,149)</u>	<u>79,636</u>	<u>2,080</u>	<u>(347,887)</u>	<u>(1,392,034)</u>	<u>(356,315)</u>
Other financing sources (uses):						
Transfers in	3,626,882	-	-	-	1,717,519	-
Transfers out	-	-	-	-	-	-
Debt issuance	5,559	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources and uses	3,632,441	-	-	-	1,717,519	-
Net change in fund balances	1,339,292	79,636	2,080	(347,887)	325,485	(356,315)
Fund balances - beginning (restated)	<u>2,485,877</u>	<u>689,656</u>	<u>1,584,155</u>	<u>1,178,647</u>	<u>512,021</u>	<u>4,324,664</u>
Fund balances - ending	<u>\$ 3,825,169</u>	<u>\$ 769,292</u>	<u>\$ 1,586,235</u>	<u>\$ 830,760</u>	<u>\$ 837,506</u>	<u>\$ 3,968,349</u>

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CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Special Revenue				
	Police State Seizure	Juvenile Positive Assistance	Law Enforcement Continuing Education	Loss Recovery	Emergency Telephone System
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-
Intergovernmental	-	-	6,964	-	215,000
Charges for services	-	-	99,872	-	-
Fines and forfeits	-	612	71,106	-	-
Interest	271	21	1,919	9,808	-
Donations	-	-	2,725	22,100	-
Sale of property	-	-	-	-	-
Other	21,848	-	9,453	3,804,857	-
Total revenues	<u>22,119</u>	<u>633</u>	<u>192,039</u>	<u>3,836,765</u>	<u>215,000</u>
Expenditures:					
Current:					
General government	-	-	-	263,129	-
Public safety	13,729	-	296,403	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>13,729</u>	<u>-</u>	<u>296,403</u>	<u>263,129</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,390</u>	<u>633</u>	<u>(104,364)</u>	<u>3,573,636</u>	<u>215,000</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,390	633	(104,364)	3,573,636	215,000
Fund balances - beginning (restated)	<u>150,174</u>	<u>10,907</u>	<u>1,101,297</u>	<u>4,345,292</u>	<u>-</u>
Fund balances - ending	<u>\$ 158,564</u>	<u>\$ 11,540</u>	<u>\$ 996,933</u>	<u>\$ 7,918,928</u>	<u>\$ 215,000</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Special Revenue				
	Local Road and Street	Excess Welfare Distribution	Human Rights Federal	East Race Waterway	Morris and Palais Marketing
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-
Intergovernmental	1,005,803	-	146,650	-	7,010
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interest	3,514	2	873	28	53
Donations	-	-	-	-	-
Sale of property	-	-	-	-	-
Other	825	-	29,890	-	-
Total revenues	<u>1,010,142</u>	<u>2</u>	<u>177,413</u>	<u>28</u>	<u>7,063</u>
Expenditures:					
Current:					
General government	-	-	202,243	-	-
Public safety	-	-	-	-	-
Highways and streets	804,041	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	5,842
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>804,041</u>	<u>-</u>	<u>202,243</u>	<u>-</u>	<u>5,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>206,101</u>	<u>2</u>	<u>(24,830)</u>	<u>28</u>	<u>1,221</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	206,101	2	(24,830)	28	1,221
Fund balances - beginning (restated)	<u>1,789,392</u>	<u>1,147</u>	<u>481,327</u>	<u>14,335</u>	<u>26,747</u>
Fund balances - ending	<u>\$ 1,995,493</u>	<u>\$ 1,149</u>	<u>\$ 456,497</u>	<u>\$ 14,363</u>	<u>\$ 27,968</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Special Revenue				
	Police Block Grants	Economic Development Commission	Hazmat	Indiana River Rescue	COPS Block Grant II
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	162,838
Intergovernmental	-	-	-	-	-
Charges for services	-	-	16,722	65,700	-
Fines and forfeits	-	-	-	-	-
Interest	7	52	27	203	-
Donations	-	-	-	-	-
Sale of property	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>7</u>	<u>52</u>	<u>16,749</u>	<u>65,903</u>	<u>162,838</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	3,238	72,274	56,672
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>3,238</u>	<u>72,274</u>	<u>56,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7</u>	<u>52</u>	<u>13,511</u>	<u>(6,371)</u>	<u>106,166</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium(Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>7</u>	<u>52</u>	<u>13,511</u>	<u>(6,371)</u>	<u>106,166</u>
Fund balances - beginning (restated)	<u>3,808</u>	<u>27,058</u>	<u>2,685</u>	<u>100,769</u>	<u>98,201</u>
Fund balances - ending	<u>\$ 3,815</u>	<u>\$ 27,110</u>	<u>\$ 16,196</u>	<u>\$ 94,398</u>	<u>\$ 204,367</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Special Revenue				
	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Gift	Urban Development Action Grant
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	142
Intergovernmental	-	-	-	-	-
Charges for services	22,995	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interest	161	198	934	129	57
Donations	-	250	-	11,219	-
Sale of property	-	-	9,775	-	-
Other	-	22,394	183,847	-	2,746
Total revenues	23,156	22,842	194,556	11,348	2,945
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	26,382	16,879	140,361	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	590,000
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	26,382	16,879	140,361	-	590,000
Excess (deficiency) of revenues over (under) expenditures	<u>(3,226)</u>	<u>5,963</u>	<u>54,195</u>	<u>11,348</u>	<u>(587,055)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(3,226)	5,963	54,195	11,348	(587,055)
Fund balances - beginning (restated)	73,380	107,336	329,012	63,337	355,503
Fund balances - ending	<u>\$ 70,154</u>	<u>\$ 113,299</u>	<u>\$ 383,207</u>	<u>\$ 74,685</u>	<u>\$ (231,552)</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Special Revenue				
	Leaf Collection and Removal	Police K-9 Unit	Rainy Day	Industrial Revolving	Totals
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	142
Intergovernmental	-	-	-	-	11,028,088
Charges for services	433,026	-	-	-	2,291,971
Fines and forfeits	-	-	-	-	71,718
Interest	1,566	4	16,554	202,815	270,952
Donations	-	-	-	-	36,294
Sale of property	-	-	-	-	18,561
Other	-	1	-	41,393	4,725,691
Total revenues	434,592	5	16,554	244,208	18,443,417
Expenditures:					
Current:					
General government	84,578	-	-	-	549,950
Public safety	-	625	-	-	626,563
Highways and streets	-	-	-	-	8,388,444
Economic development	-	-	-	416,951	8,068,458
Culture and recreation	-	-	-	-	891,271
Debt service:					
Principal	22,103	-	-	-	535,580
Interest and fiscal charges	1,135	-	-	-	50,446
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	107,816	625	-	416,951	19,110,712
Excess (deficiency) of revenues over (under) expenditures	326,776	(620)	16,554	(172,743)	(667,295)
Other financing sources (uses):					
Transfers in	-	-	-	-	5,344,401
Transfers out	(250,000)	-	-	-	(250,000)
Debt issuance	-	-	-	-	5,559
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	(250,000)	-	-	-	5,099,960
Net change in fund balances	76,776	(620)	16,554	(172,743)	4,432,665
Fund balances - beginning (restated)	897,037	1,933	8,595,561	7,367,815	36,719,073
Fund balances - ending	<u>\$ 973,813</u>	<u>\$ 1,313</u>	<u>\$ 8,612,115</u>	<u>\$ 7,195,072</u>	<u>\$ 41,151,738</u>

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CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Debt Service			
	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
Revenues:				
Taxes:				
Property	\$ 1,274,527	\$ -	\$ -	\$ -
Professional sports development	-	-	-	-
Community revitalization enhancement district	-	-	-	-
Intergovernmental	67,317	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	-	2,000	967	3,342
Donations	-	-	-	-
Sale of property	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,341,844</u>	<u>2,000</u>	<u>967</u>	<u>3,342</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	1,115,000	-	-	-
Interest and fiscal charges	153,632	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>1,268,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>73,212</u>	<u>2,000</u>	<u>967</u>	<u>3,342</u>
Other financing sources (uses):				
Transfers in	71,468	-	-	-
Transfers out	-	(3,167)	-	(5,292)
Debt issuance	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources and uses	<u>71,468</u>	<u>(3,167)</u>	<u>-</u>	<u>(5,292)</u>
Net change in fund balances	144,680	(1,167)	967	(1,950)
Fund balances - beginning (restated)	<u>577,818</u>	<u>1,039,264</u>	<u>502,179</u>	<u>1,736,441</u>
Fund balances - ending	<u>\$ 722,498</u>	<u>\$ 1,038,097</u>	<u>\$ 503,146</u>	<u>\$ 1,734,491</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Debt Service			Totals
	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	
	Revenues:			
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 1,274,527
Professional sports development	-	-	-	-
Community revitalization enhancement district	-	-	-	-
Intergovernmental	-	-	-	67,317
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	1,891	173	15	8,388
Donations	-	1	-	1
Sale of property	-	-	-	-
Other	-	-	-	-
Total revenues	1,891	174	15	1,350,233
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	2,400,000	1,672,885	-	5,187,885
Interest and fiscal charges	2,351,707	552,342	-	3,057,681
Bond issuance costs	127,125	192,884	-	320,009
Capital outlay:				
General government	-	-	-	-
Public safety	-	9,335	-	9,335
Highways and streets	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	3,000	-	-	3,000
Total expenditures	4,881,832	2,427,446	-	8,577,910
Excess (deficiency) of revenues over (under) expenditures	(4,879,941)	(2,427,272)	15	(7,227,677)
Other financing sources (uses):				
Transfers in	4,755,324	2,237,291	-	7,064,083
Transfers out	-	-	-	(8,459)
Debt issuance	-	244,463	-	244,463
Premium (Discount) on debt issuance	21,576	-	-	21,576
Issuance of refunding bonds	3,990,000	-	-	3,990,000
Payment to refunded bond escrow agent	(4,376,769)	-	-	(4,376,769)
Total other financing sources and uses	4,390,131	2,481,754	-	6,934,894
Net change in fund balances	(489,810)	54,482	15	(292,783)
Fund balances - beginning (restated)	4,470,709	541,349	561,093	9,428,853
Fund balances - ending	\$ 3,980,899	\$ 595,831	\$ 561,108	\$ 9,136,070

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Capital Projects					
	Emergency Medical Services	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment	Park Nonreverting Capital	Cumulative Capital Development
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456,875
Professional sports development	-	649,996	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	39,849
Charges for services	2,823,802	-	-	-	4,085	-
Fines and forfeits	8,869	-	-	-	-	-
Interest	8,064	1,299	52	94	583	1,472
Donations	-	-	-	8	-	-
Sale of property	8,689	-	-	-	-	-
Other	5,329	77,851	-	-	13,405	211
Total revenues	2,854,753	729,146	52	102	18,073	498,407
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	38,681	595,000	-	-	-	566,652
Interest and fiscal charges	1,986	181,470	-	-	-	34,962
Bond issuance costs	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	504
Public safety	7,653,648	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	100,000	-	-	160,325	-
Total expenditures	7,694,315	876,470	-	-	160,325	602,118
Excess (deficiency) of revenues over (under) expenditures	(4,839,562)	(147,324)	52	102	(142,252)	(103,711)
Other financing sources (uses):						
Transfers in	-	-	-	-	209,824	46,054
Transfers out	(1,000,000)	-	-	-	-	-
Debt issuance	5,335,537	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources and uses	4,335,537	-	-	-	209,824	46,054
Net change in fund balances	(504,025)	(147,324)	52	102	67,572	(57,657)
Fund balances - beginning (restated)	5,734,641	1,103,106	26,781	48,889	484,550	845,228
Fund balances - ending	<u>\$ 5,230,616</u>	<u>\$ 955,782</u>	<u>\$ 26,833</u>	<u>\$ 48,991</u>	<u>\$ 552,122</u>	<u>\$ 787,571</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Capital Projects					
	Cumulative Capital Improvement	Morris Performing Arts Center Capital	TIF Downtown	TIF Leighton Plaza	TIF - West Washington	Redevelopment General
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ 3,573,627	\$ -	\$ 518,833	\$ -
Professional sports development	-	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-	-
Intergovernmental	421,457	-	398,500	-	-	-
Charges for services	-	104,240	33,994	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interest	-	775	55,521	169	641	60
Donations	-	-	-	-	-	-
Sale of property	-	-	8,727	-	-	-
Other	24,923	-	188,531	155,728	-	-
Total revenues	446,380	105,015	4,258,900	155,897	519,474	60
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	1,676,667	-	-	-
Interest and fiscal charges	-	-	805,754	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	990,356	132,154	323,963	11,871
Culture and recreation	-	41,175	-	-	-	-
Total expenditures	-	41,175	3,472,777	132,154	323,963	11,871
Excess (deficiency) of revenues over (under) expenditures	446,380	63,840	786,123	23,743	195,511	(11,811)
Other financing sources (uses):						
Transfers in	-	-	5,291	-	-	-
Transfers out	(367,575)	-	(398,500)	-	-	-
Debt issuance	-	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources and uses	(367,575)	-	(393,209)	-	-	-
Net change in fund balances	78,805	63,840	392,914	23,743	195,511	(11,811)
Fund balances - beginning (restated)	97,804	396,379	9,219,088	105,036	915,460	31,469
Fund balances - ending	\$ 176,609	\$ 460,219	\$ 9,612,002	\$ 128,779	\$ 1,110,971	\$ 19,658

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Capital Projects				
	Community Revitalization Enhancement District	TIF No. 1 - Southside Development	TIF No. 3 - Southside Development	TIF-Central Medical Service Area	Football Hall of Fame Capital
Revenues:					
Taxes:					
Property	\$ -	\$ 2,475,377	\$ 1,311,129	\$ 1,640,705	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	244,481	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interest	342	10,341	9,881	6,814	1,371
Donations	-	-	-	-	-
Sale of property	-	-	-	-	-
Other	-	-	-	-	42
Total revenues	244,823	2,485,718	1,321,010	1,647,519	1,413
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	385,000	-	195,000	-	-
Interest and fiscal charges	73,949	-	293,848	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	4,329,259	1,813	1,747,719	62,474
Culture and recreation	-	-	-	-	-
Total expenditures	458,949	4,329,259	490,661	1,747,719	62,474
Excess (deficiency) of revenues over (under) expenditures	(214,126)	(1,843,541)	830,349	(100,200)	(61,061)
Other financing sources (uses):					
Transfers in	-	-	-	-	61,061
Transfers out	-	-	-	-	-
Debt issuance	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	61,061
Net change in fund balances	(214,126)	(1,843,541)	830,349	(100,200)	-
Fund balances - beginning (restated)	328,693	5,282,231	5,572,412	2,429,656	-
Fund balances - ending	\$ 114,567	\$ 3,438,690	\$ 6,402,761	\$ 2,329,456	\$ -

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Capital Projects				
	Major Moves	TIF - Northeast Development	TIF Douglas Road	TIF - Northeast Residential	Certified Technology Park
Revenues:					
Taxes:					
Property	\$ -	\$ 845,052	\$ 76,627	\$ 2,477,200	\$ -
Professional sports development	-	-	-	-	-
Community revitalization enhancement district	-	-	-	-	-
Intergovernmental	-	-	-	-	1,412,953
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interest	250,450	4,185	120	3,728	4,117
Donations	-	-	-	-	-
Sale of property	-	-	-	-	-
Other	23,437	-	-	-	-
Total revenues	273,887	849,237	76,747	2,480,928	1,417,070
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	87,119	-	-
Interest and fiscal charges	-	-	67,980	180,490	-
Bond issuance costs	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	1,195,578	-	-	-	-
Economic development	-	51,652	418	33,392	-
Culture and recreation	-	-	-	-	-
Total expenditures	1,195,578	51,652	155,517	213,882	-
Excess (deficiency) of revenues over (under) expenditures	(921,691)	797,585	(78,770)	2,267,046	1,417,070
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(2,824,324)	-
Debt issuance	-	-	-	-	-
Premium (Discount) on debt issuance	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	-	-	-	(2,824,324)	-
Net change in fund balances	(921,691)	797,585	(78,770)	(557,278)	1,417,070
Fund balances - beginning (restated)	13,944,199	2,462,212	(550,815)	(1,664,902)	2,263,137
Fund balances - ending	\$ 13,022,508	\$ 3,259,797	\$ (629,585)	\$ (2,222,180)	\$ 3,680,207

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013
 (Continued)

	Capital Projects				Total Nonmajor Governmental Funds
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing	Totals	
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 13,375,425	\$ 14,649,952
Professional sports development	-	-	-	649,996	649,996
Community revitalization enhancement district	-	-	-	244,481	244,623
Intergovernmental	15,911	-	-	2,288,670	13,384,075
Charges for services	-	-	-	2,966,121	5,258,092
Fines and forfeits	-	-	-	8,869	80,587
Interest	125	754	385	381,343	640,683
Donations	-	-	-	8	36,303
Sale of property	-	-	-	17,416	35,977
Other	-	-	-	489,457	5,215,148
Total revenues	16,036	754	385	20,401,786	40,195,436
Expenditures:					
Current:					
General government	-	-	-	-	549,950
Public safety	-	-	-	-	626,563
Highways and streets	-	-	-	-	8,388,444
Economic development	-	-	-	-	8,068,458
Culture and recreation	-	-	-	-	891,271
Debt service:					
Principal	-	-	-	3,544,119	9,267,584
Interest and fiscal charges	-	-	-	1,640,439	4,748,566
Bond issuance costs	-	-	-	-	320,009
Capital outlay:					
General government	-	-	233	737	737
Public safety	-	-	1,089,719	8,743,367	8,752,702
Highways and streets	-	-	643,543	1,839,121	1,839,121
Economic development	-	-	-	7,685,071	7,685,071
Culture and recreation	20,470	-	-	321,970	324,970
Total expenditures	20,470	-	1,733,495	23,774,824	51,463,446
Excess (deficiency) of revenues over (under) expenditures	(4,434)	754	(1,733,110)	(3,373,038)	(11,268,010)
Other financing sources (uses):					
Transfers in	-	-	-	322,230	12,730,714
Transfers out	-	-	-	(4,590,399)	(4,848,858)
Debt issuance	-	-	2,162,750	7,498,287	7,748,309
Premium (Discount) on debt issuance	-	-	-	-	21,576
Issuance of refunding bonds	-	-	-	-	3,990,000
Payment to refunded bond escrow agent	-	-	-	-	(4,376,769)
Total other financing sources and uses	-	-	2,162,750	3,230,118	15,264,972
Net change in fund balances	(4,434)	754	429,640	(142,920)	3,996,962
Fund balances - beginning (restated)	59,546	375,405	1,963	49,512,168	95,660,094
Fund balances - ending	\$ 55,112	\$ 376,159	\$ 431,603	\$ 49,369,248	\$ 99,657,056

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF AIRPORT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 11,200,000	\$ 11,200,000	\$ 13,340,354	\$ 2,140,354
Other	<u>218,401</u>	<u>2,536,269</u>	<u>2,406,779</u>	<u>(129,490)</u>
Total revenues	<u>11,418,401</u>	<u>13,736,269</u>	<u>15,747,133</u>	<u>2,010,864</u>
Expenditures:				
Current:				
Economic development:				
Other services and charges	4,356,441	9,944,113	8,128,308	1,815,805
Capital outlay	<u>17,317,559</u>	<u>15,300,479</u>	<u>8,060,859</u>	<u>7,239,620</u>
Total expenditures	<u>21,674,000</u>	<u>25,244,592</u>	<u>16,189,167</u>	<u>9,055,425</u>
Other financing sources (uses):				
Transfers in	<u>326,000</u>	<u>281,000</u>	<u>279,530</u>	<u>(1,470)</u>
Net change in fund balances	(9,929,599)	(11,227,323)	(162,504)	11,064,819
Fund balances - beginning	<u>18,429,252</u>	<u>18,429,252</u>	<u>18,429,252</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,499,653</u>	<u>\$ 7,201,929</u>	<u>\$ 18,266,747</u>	<u>\$ 11,064,819</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (162,504)	
To adjust revenues for accruals			1,712,596	
To adjust expenditures for accruals			888,801	
To adjust expenditures for encumbrances			<u>6,961,261</u>	
Net change in fund balance, GAAP basis			<u>\$ 9,400,154</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - MOTOR VEHICLE HIGHWAY
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,910,000	\$ 4,749,789	\$ 5,051,334	\$ 301,545
Charges for services	172,000	172,000	324,494	152,494
Other	143,300	143,300	127,627	(15,673)
Total revenues	5,225,300	5,065,089	5,503,455	438,366
Expenditures:				
Current:				
Highways and streets:				
Personnel services	3,845,935	3,845,935	3,461,070	384,865
Supplies	2,940,130	3,018,469	2,877,597	140,872
Other services and charges	1,812,617	2,080,152	1,764,321	315,831
Capital outlay	253,500	231,940	229,877	2,063
Other uses	-	-	-	-
Total expenditures	8,852,182	9,176,496	8,332,865	843,631
Other financing sources (uses):				
Transfers in	3,626,882	3,626,882	3,635,668	8,786
Net change in fund balances	-	(484,525)	806,258	1,290,783
Fund balances - beginning	2,271,733	2,271,733	2,271,733	-
Fund balances - ending	\$ 2,271,733	\$ 1,787,208	\$ 3,077,991	\$ 1,290,783
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 806,258	
To adjust revenues for accruals			(103,432)	
To adjust expenditures for accruals			33,589	
To adjust expenditures for encumbrances			602,877	
Net change in fund balance, GAAP basis			\$ 1,339,292	

CITY OF SOUTH BEND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - RECREATION NONREVERTING
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Budgetary Basis Amounts	With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,632,943	\$ 1,632,943	\$ 886,739	\$ (746,204)
Other	4,000	4,000	116,580	112,580
Total revenues	<u>1,636,943</u>	<u>1,636,943</u>	<u>1,003,318</u>	<u>(633,625)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	668,209	668,209	438,880	229,329
Supplies	281,493	288,211	221,475	66,736
Other services and charges	485,357	485,357	228,447	256,910
Capital outlay	119,000	119,000	-	119,000
Total expenditures	<u>1,554,059</u>	<u>1,560,777</u>	<u>888,802</u>	<u>671,975</u>
Other financing sources (uses):				
Transfers out	-	-	10,375	10,375
Net change in fund balances	82,884	76,166	124,891	48,725
Fund balances - beginning	<u>671,132</u>	<u>671,132</u>	<u>671,132</u>	<u>-</u>
Fund balances - ending	<u>\$ 754,016</u>	<u>\$ 747,298</u>	<u>\$ 796,023</u>	<u>\$ 48,725</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 124,891	
To adjust revenues for accruals			(59,304)	
To adjust expenditures for accruals			11,073	
To adjust expenditures for encumbrances			<u>2,976</u>	
Net change in fund balance, GAAP basis			<u>\$ 79,636</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - STUDEBAKER OLIVER REVITALIZATION GRANTS
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 305,000	\$ 5,000	\$ 3,712	\$ (1,288)
Expenditures:				
Current:				
Economic development:				
Other services and charges	1,000,000	1,000,000	-	1,000,000
Net change in fund balances	(695,000)	(995,000)	3,712	998,712
Fund balances - beginning	1,079,675	1,079,675	1,079,675	-
Fund balances - ending	\$ 384,675	\$ 84,675	\$ 1,083,387	\$ 998,712
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,712	
To adjust revenues for accruals			(1,632)	
Net change in fund balance, GAAP basis			\$ 2,080	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT STATE GRANTS
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,624,187	\$ 1,646,262	\$ 238,066	\$ (1,408,196)
Expenditures:				
Current:				
Economic development:				
Other services and charges	<u>1,260,777</u>	<u>1,260,777</u>	<u>807,570</u>	<u>453,207</u>
Net change in fund balances	363,410	385,485	(569,505)	(954,990)
Fund balances - beginning	<u>918,455</u>	<u>918,455</u>	<u>918,455</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,281,865</u>	<u>\$ 1,303,940</u>	<u>\$ 348,950</u>	<u>\$ (954,990)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (569,505)	
To adjust revenues for accruals			(140,721)	
To adjust expenditures for accruals			<u>362,338</u>	
Net change in fund balance, GAAP basis			<u>\$ (347,887)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - DCI OPERATING
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 421,787	\$ 471,887	\$ 467,180	\$ (4,707)
Other	202,500	296,601	306,912	10,311
Total revenues	<u>624,287</u>	<u>768,488</u>	<u>774,092</u>	<u>5,604</u>
Expenditures:				
Current:				
Economic development:				
Personnel services	1,938,047	1,921,547	1,780,056	141,491
Supplies	30,352	44,061	34,106	9,955
Other services and charges	373,407	384,003	370,334	13,669
Capital outlay	-	4,720	4,720	-
Other uses	-	-	-	-
Total expenditures	<u>2,341,806</u>	<u>2,354,331</u>	<u>2,189,216</u>	<u>165,115</u>
Other financing sources (uses):				
Transfers in	<u>1,717,521</u>	<u>1,717,521</u>	<u>1,717,519</u>	<u>(2)</u>
Net change in fund balances	2	131,678	302,395	170,717
Fund balances - beginning	<u>584,037</u>	<u>584,037</u>	<u>584,037</u>	<u>-</u>
Fund balances - ending	<u>\$ 584,039</u>	<u>\$ 715,715</u>	<u>\$ 886,432</u>	<u>\$ 170,717</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 302,395	
To adjust revenues for accruals			1,763	
To adjust expenditures for accruals			244	
To adjust expenditures for encumbrances			<u>21,083</u>	
Net change in fund balance, GAAP basis			<u>\$ 325,485</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - COMMUNITY INVESTMENT GRANTS
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,525,000	\$ 8,148,705	\$ 3,995,268	\$ (4,153,437)
Other	<u>286,000</u>	<u>652,480</u>	<u>488,173</u>	<u>(164,307)</u>
Total revenues	<u>3,811,000</u>	<u>8,801,185</u>	<u>4,483,441</u>	<u>(4,317,744)</u>
Expenditures:				
Current:				
Economic development:				
Personnel services	-	2,565	2,565	-
Other services and charges	<u>3,811,000</u>	<u>8,954,707</u>	<u>7,503,546</u>	<u>1,451,161</u>
Total expenditures	<u>3,811,000</u>	<u>8,957,272</u>	<u>7,506,111</u>	<u>1,451,161</u>
Net change in fund balances	-	(156,087)	(3,022,670)	(2,866,583)
Fund balances - beginning	<u>514,341</u>	<u>514,341</u>	<u>514,341</u>	<u>-</u>
Fund balances - ending	<u>\$ 514,341</u>	<u>\$ 358,254</u>	<u>\$ (2,508,329)</u>	<u>\$ (2,866,583)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,022,670)	
To adjust revenues for accruals			(528,815)	
To adjust expenditures for accruals			95,389	
To adjust expenditures for encumbrances			<u>3,099,781</u>	
Net change in fund balance, GAAP basis			<u>\$ (356,315)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - POLICE STATE SEIZURE
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 35,900	\$ 35,900	\$ 27,470	\$ (8,430)
Expenditures:				
Current:				
Public safety:				
Supplies	10,000	10,000	-	10,000
Other services and charges	22,500	22,500	2,729	19,771
Capital outlay	<u>3,400</u>	<u>13,400</u>	<u>11,000</u>	<u>2,400</u>
Total expenditures	<u>35,900</u>	<u>45,900</u>	<u>13,729</u>	<u>32,171</u>
Net change in fund balances	-	(10,000)	13,741	23,741
Fund balances - beginning	<u>144,925</u>	<u>144,925</u>	<u>144,925</u>	<u>-</u>
Fund balances - ending	<u>\$ 144,925</u>	<u>\$ 134,925</u>	<u>\$ 158,667</u>	<u>\$ 23,741</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,741	
To adjust revenues for accruals			<u>(5,351)</u>	
Net change in fund balance, GAAP basis			<u>\$ 8,390</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - JUVENILE POSITIVE ASSISTANCE
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and fees	\$ 1,025	\$ 1,025	\$ 625	\$ (400)
Other	-	-	38	38
Total revenues	<u>1,025</u>	<u>1,025</u>	<u>663</u>	<u>(362)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	500	500	-	500
Other services and charges	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balances	25	25	663	638
Fund balances - beginning	<u>10,885</u>	<u>10,885</u>	<u>10,885</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,910</u>	<u>\$ 10,910</u>	<u>\$ 11,548</u>	<u>\$ 638</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 663	
To adjust revenues for accruals			<u>(30)</u>	
Net change in fund balance, GAAP basis			<u>\$ 633</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - LAW ENFORCEMENT CONTINUING EDUCATION
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 108,000	\$ 108,000	\$ 6,964	\$ (101,036)
Charges for services	100,000	100,000	100,128	128
Fines and fees	80,000	80,000	71,768	(8,232)
Other	59,000	59,000	15,669	(43,331)
Total revenues	<u>347,000</u>	<u>347,000</u>	<u>194,528</u>	<u>(152,472)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	50,500	155,512	142,642	12,870
Other services and charges	119,500	116,500	45,602	70,898
Capital outlay	177,000	206,119	137,066	69,053
Total expenditures	<u>347,000</u>	<u>478,131</u>	<u>325,311</u>	<u>152,820</u>
Net change in fund balances	-	(131,131)	(130,783)	348
Fund balances - beginning	<u>1,087,207</u>	<u>1,087,207</u>	<u>1,087,207</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,087,207</u>	<u>\$ 956,076</u>	<u>\$ 956,424</u>	<u>\$ 348</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (130,783)	
To adjust revenues for accruals			(2,094)	
To adjust expenditures for accruals			3,711	
To adjust expenditures for encumbrances			24,802	
Net change in fund balance, GAAP basis			<u>\$ (104,364)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - LOSS RECOVERY
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 26,000	\$ 3,851,957	\$ 3,845,642	\$ (6,315)
Expenditures:				
Current:				
General government:				
Supplies	208,000	-	-	-
Other services and charges	300,000	1,124,033	1,066,976	57,057
Capital outlay	-	152,152	150,000	2,152
Total expenditures	<u>508,000</u>	<u>1,276,185</u>	<u>1,216,976</u>	<u>59,209</u>
Net change in fund balances	(482,000)	2,575,772	2,628,666	52,894
Fund balances - beginning	<u>4,341,561</u>	<u>4,341,561</u>	<u>4,341,561</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,859,561</u>	<u>\$ 6,917,333</u>	<u>\$ 6,970,227</u>	<u>\$ 52,894</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,628,666	
To adjust revenues for accruals			(8,877)	
To adjust expenditures for accruals			(11,958)	
To adjust expenditures for encumbrances			<u>965,805</u>	
Net change in fund balance, GAAP basis			<u>\$ 3,573,636</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - LOCAL ROAD AND STREET
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,040,000	\$ 1,052,643	\$ 1,001,871	\$ (50,772)
Other	8,500	8,500	7,071	(1,429)
Total revenues	<u>1,048,500</u>	<u>1,061,143</u>	<u>1,008,943</u>	<u>(52,200)</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	400,000	400,000	400,000	-
Other services and charges	-	77,500	7,500	70,000
Capital outlay	648,500	758,424	416,385	342,039
Total expenditures	<u>1,048,500</u>	<u>1,235,924</u>	<u>823,885</u>	<u>412,039</u>
Net change in fund balances	-	(174,781)	185,058	359,839
Fund balances - beginning	<u>1,714,298</u>	<u>1,714,298</u>	<u>1,714,298</u>	-
Fund balances - ending	<u>\$ 1,714,298</u>	<u>\$ 1,539,517</u>	<u>\$ 1,899,356</u>	<u>\$ 359,839</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 185,058	
To adjust revenues for accruals			1,199	
To adjust expenditures for accruals			(22,175)	
To adjust expenditures for encumbrances			42,019	
Net change in fund balance, GAAP basis			<u>\$ 206,101</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - EXCESS WELFARE DISTRIBUTION
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 4	\$ 4
Expenditures:				
Current:				
Public safety:				
Capital outlay	-	-	-	-
Net change in fund balances	-	-	4	4
Fund balances - beginning	<u>1,146</u>	<u>1,146</u>	<u>1,146</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,146</u>	<u>\$ 1,146</u>	<u>\$ 1,150</u>	<u>\$ 4</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4	
To adjust revenues for accruals			<u>(2)</u>	
Net change in fund balance, GAAP basis			<u>\$ 2</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - HUMAN RIGHTS FEDERAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 199,000	\$ 199,000	\$ 146,650	\$ (52,350)
Other	<u>38,250</u>	<u>38,250</u>	<u>31,499</u>	<u>(6,751)</u>
Total revenues	<u>237,250</u>	<u>237,250</u>	<u>178,149</u>	<u>(59,101)</u>
Expenditures:				
Current:				
General government:				
Personnel services	105,514	107,714	105,880	1,834
Supplies	4,550	4,668	3,801	867
Other services and charges	117,000	152,426	87,857	64,569
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>228,564</u>	<u>266,308</u>	<u>197,538</u>	<u>68,770</u>
Net change in fund balances	8,686	(29,058)	(19,389)	9,669
Fund balances - beginning	<u>486,164</u>	<u>486,164</u>	<u>486,164</u>	<u>-</u>
Fund balances - ending	<u>\$ 494,850</u>	<u>\$ 457,106</u>	<u>\$ 466,775</u>	<u>\$ 9,669</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (19,389)	
To adjust revenues for accruals			(735)	
To adjust expenditures for accruals			<u>(4,706)</u>	
Net change in fund balance, GAAP basis			<u>\$ (24,830)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - EAST RACE WATERWAY
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 100	\$ 100	\$ 49	\$ (51)
Expenditures:				
Current:				
Culture and recreation:				
Supplies	-	346	346	-
Other services and charges	-	-	-	-
Total expenditures	-	346	346	-
Net change in fund balances	100	(246)	(297)	(51)
Fund balances - beginning	<u>14,323</u>	<u>14,323</u>	<u>14,323</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,423</u>	<u>\$ 14,077</u>	<u>\$ 14,026</u>	<u>\$ (51)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (297)	
To adjust revenues for accruals			(21)	
To adjust expenditures for encumbrances			<u>346</u>	
Net change in fund balance, GAAP basis			<u>\$ 28</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - MORRIS AND PALAIS MARKETING
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 8,100	\$ 8,100	\$ 7,113	\$ (987)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	8,100	10,149	7,891	2,258
Net change in fund balances	-	(2,049)	(777)	1,272
Fund balances - beginning	28,763	28,763	28,763	-
Fund balances - ending	\$ 28,763	\$ 26,714	\$ 27,985	\$ 1,272
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (777)	
To adjust expenditures for accruals			1,998	
Net change in fund balance, GAAP basis			\$ 1,221	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - POLICE BLOCK GRANTS
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 185,000	\$ 185,000	\$ -	\$ (185,000)
Other	<u>300</u>	<u>300</u>	<u>13</u>	<u>(287)</u>
Total revenues	<u>185,300</u>	<u>185,300</u>	<u>13</u>	<u>(185,287)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	45,000	45,000	-	45,000
Other services and charges	40,000	40,000	-	40,000
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>185,000</u>	<u>185,000</u>	<u>-</u>	<u>185,000</u>
Net change in fund balances	300	300	13	(287)
Fund balances - beginning	<u>3,804</u>	<u>3,804</u>	<u>3,804</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,104</u>	<u>\$ 4,104</u>	<u>\$ 3,817</u>	<u>\$ (287)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13	
To adjust revenues for accruals			<u>(6)</u>	
Net change in fund balance, GAAP basis			<u>\$ 7</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT COMMISSION
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 100	\$ 100	\$ 93	\$ (7)
Expenditures:				
Other uses	<u>27,102</u>	<u>27,132</u>	-	<u>27,132</u>
Total expenditures	27,102	27,132	-	27,132
Net change in fund balances	(27,002)	(27,032)	93	27,125
Fund balances - beginning	<u>27,035</u>	<u>27,035</u>	<u>27,035</u>	-
Fund balances - ending	<u>\$ 33</u>	<u>\$ 3</u>	<u>\$ 27,128</u>	<u>\$ 27,125</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 93	
To adjust revenues for accruals			<u>(41)</u>	
Net change in fund balance, GAAP basis			<u>\$ 52</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - HAZMAT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000	\$ 3,000	\$ 16,722	\$ 13,722
Other	-	-	40	40
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>16,762</u>	<u>13,762</u>
Expenditures:				
Current:				
Public safety:				
Capital outlay	<u>3,000</u>	<u>3,500</u>	<u>3,238</u>	<u>262</u>
Net change in fund balances	-	(500)	13,524	14,024
Fund balances - beginning	<u>2,683</u>	<u>2,683</u>	<u>2,683</u>	-
Fund balances - ending	<u>\$ 2,683</u>	<u>\$ 2,183</u>	<u>\$ 16,207</u>	<u>\$ 14,024</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,524	
To adjust revenues for accruals			(13)	
Net change in fund balance, GAAP basis			<u>\$ 13,511</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - INDIANA RIVER RESCUE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 31,300	\$ 31,300	\$ 65,700	\$ 34,400
Other	200	200	368	168
Total revenues	31,500	31,500	66,068	34,568
Expenditures:				
Current:				
Public safety:				
Personnel services	2,000	2,000	1,508	492
Supplies	6,500	37,166	36,820	346
Other services and charges	20,700	25,500	23,985	1,515
Capital outlay	2,300	27,460	27,460	-
Total expenditures	31,500	92,126	89,773	2,353
Net change in fund balances	-	(60,626)	(23,705)	36,921
Fund balances - beginning	119,423	119,423	119,423	-
Fund balances - ending	\$ 119,423	\$ 58,797	\$ 95,718	\$ 36,921
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (23,705)	
To adjust revenues for accruals			(163)	
To adjust expenditures for accruals			17,497	
Net change in fund balance, GAAP basis			\$ (6,371)	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - COPS BLOCK GRANT II
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 162,838	\$ 52,838
Expenditures:				
Current:				
Public safety:				
Other services and charges	10,000	10,000	-	10,000
Supplies	-	36,950	36,911	39
Capital outlay	100,000	63,050	19,543	43,507
Total expenditures	110,000	110,000	56,454	53,546
Net change in fund balances	-	-	106,384	106,384
Fund balances - beginning	98,125	98,125	98,125	-
Fund balances - ending	\$ 98,125	\$ 98,125	\$ 204,509	\$ 106,384
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 106,384	
To adjust revenues for accruals			(218)	
Net change in fund balance, GAAP basis			\$ 106,166	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - REGIONAL POLICE ACADEMY
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	26,250	26,250	20,745	(5,505)
Other	<u>2,250</u>	<u>2,250</u>	268	<u>(1,982)</u>
Total revenues	<u>28,500</u>	<u>28,500</u>	<u>21,013</u>	<u>(7,487)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	169	1,331
Other services and charges	<u>27,000</u>	<u>27,000</u>	<u>26,575</u>	<u>425</u>
Total expenditures	<u>28,500</u>	<u>28,500</u>	<u>26,744</u>	<u>1,756</u>
Net change in fund balances	-	-	(5,731)	(5,731)
Fund balances - beginning	<u>73,815</u>	<u>73,815</u>	<u>73,815</u>	-
Fund balances - ending	<u>\$ 73,815</u>	<u>\$ 73,815</u>	<u>\$ 68,084</u>	<u>\$ (5,731)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,731)	
To adjust revenues for accruals			2,143	
To adjust expenditures for accruals			<u>362</u>	
Net change in fund balance, GAAP basis			<u>\$ (3,226)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - COPS MORE GRANT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 41,600	\$ 41,600	\$ 23,068	\$ (18,532)
Expenditures:				
Current:				
Public safety:				
Supplies	13,650	13,480	5,635	7,845
Other services and charges	17,375	17,925	11,379	6,546
Capital outlay	10,575	10,575	-	10,575
Total expenditures	41,600	41,980	17,014	24,966
Net change in fund balances	-	(380)	6,054	6,434
Fund balances - beginning	107,289	107,289	107,289	-
Fund balances - ending	\$ 107,289	\$ 106,909	\$ 113,343	\$ 6,434
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 6,054	
To adjust revenues for accruals			(226)	
To adjust expenditures for accruals			135	
Net change in fund balance, GAAP basis			\$ 5,963	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - FEDERAL DRUG ENFORCEMENT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 160,829	\$ 60,829
Other	<u>2,000</u>	<u>2,000</u>	<u>33,740</u>	<u>31,740</u>
Total revenues	<u>102,000</u>	<u>102,000</u>	<u>194,569</u>	<u>92,569</u>
Expenditures:				
Current:				
Public safety:				
Supplies	37,000	60,867	53,136	7,731
Other services and charges	45,000	45,000	10,455	34,545
Capital outlay	<u>20,000</u>	<u>82,706</u>	<u>82,658</u>	<u>48</u>
Total expenditures	<u>102,000</u>	<u>188,573</u>	<u>146,249</u>	<u>42,324</u>
Net change in fund balances	-	(86,573)	48,320	134,893
Fund balances - beginning	<u>335,341</u>	<u>335,341</u>	<u>335,341</u>	<u>-</u>
Fund balances - ending	<u>\$ 335,341</u>	<u>\$ 248,768</u>	<u>\$ 383,661</u>	<u>\$ 134,893</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 48,320	
To adjust revenues for accruals			(13)	
To adjust expenditures for accruals			4,389	
To adjust expenditures for encumbrances			<u>1,499</u>	
Net change in fund balance, GAAP basis			<u>\$ 54,195</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - GIFT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 7,150	\$ 17,011	\$ 11,501	\$ (5,510)
Expenditures:				
Supplies	-	3,441	-	3,441
Other services and charges	-	7,311	1,310	6,001
Total expenditures	-	10,752	1,310	9,442
Net change in fund balances	7,150	6,259	10,191	3,932
Fund balances - beginning	63,233	63,233	63,233	-
Fund balances - ending	\$ 70,383	\$ 69,492	\$ 73,424	\$ 3,932
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 10,191	
To adjust revenues for accruals			(153)	
To adjust expenditures for encumbrances			1,310	
Net change in fund balance, GAAP basis			\$ 11,348	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - URBAN DEVELOPMENT ACTION GRANT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 69,962	\$ 70,117	\$ 3,834	\$ (66,283)
Expenditures:				
Current:				
Economic development:				
Other services and charges	<u>268,146</u>	<u>268,146</u>	<u>-</u>	<u>268,146</u>
Net change in fund balances	(198,184)	(198,029)	3,834	201,863
Fund balances - beginning	<u>23,753</u>	<u>23,753</u>	<u>23,753</u>	<u>-</u>
Fund balances - ending	<u>\$ (174,431)</u>	<u>\$ (174,276)</u>	<u>\$ 27,587</u>	<u>\$ 201,863</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,834	
To adjust revenues for accruals			<u>(590,889)</u>	
Net change in fund balance, GAAP basis			<u>\$ (587,055)</u>	

CITY OF SOUTH BEND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - LEAF COLLECTION AND REMOVAL
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 429,000	\$ 429,000	\$ 433,026	\$ 4,026
Other	2,700	2,700	2,914	214
Total revenues	431,700	431,700	435,940	4,240
Expenditures:				
Current:				
General government:				
Personnel services	64,378	64,378	41,354	23,024
Supplies	7,067	7,432	7,383	49
Other services and charges	104,255	104,255	54,966	49,289
Other uses	6,000	6,000	5,367	633
Total expenditures	181,700	182,065	109,070	72,995
Other financing sources (uses):				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net change in fund balances	-	(365)	76,870	77,235
Fund balances - beginning	859,452	859,452	859,452	-
Fund balances - ending	\$ 859,452	\$ 859,087	\$ 936,322	\$ 77,235
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 76,870	
To adjust revenues for accruals			(905)	
To adjust expenditures for accruals			(491)	
To adjust expenditures for encumbrances			1,302	
Net change in fund balance, GAAP basis			\$ 76,776	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - POLICE K-9 UNIT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 2,000	\$ 2,000	\$ 8	\$ (1,992)
Expenditures:				
Current:				
Public safety:				
Other services and charges	<u>2,000</u>	<u>2,000</u>	<u>625</u>	<u>1,375</u>
Net change in fund balances	-	-	(617)	(617)
Fund balances - beginning	<u>1,931</u>	<u>1,931</u>	<u>1,931</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,931</u>	<u>\$ 1,931</u>	<u>\$ 1,313</u>	<u>\$ (617)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (617)	
To adjust revenues for accruals			<u>(3)</u>	
Net change in fund balance, GAAP basis			<u>\$ (620)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - RAINY DAY
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 52,000	\$ 52,000	\$ 29,524	\$ (22,476)
Net change in fund balances	52,000	52,000	29,524	(22,476)
Fund balances - beginning	<u>8,588,180</u>	<u>8,588,180</u>	<u>8,588,180</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,640,180</u>	<u>\$ 8,640,180</u>	<u>\$ 8,617,704</u>	<u>\$ (22,476)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 29,524	
To adjust revenues for accruals			<u>(12,970)</u>	
Net change in fund balance, GAAP basis			<u>\$ 16,554</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS - COLLEGE FOOTBALL HALL OF FAME DEBT SERVICE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,118,460	\$ 1,118,460	\$ 1,268,179	\$ 149,719
Intergovernmental	151,818	139,329	138,784	(545)
Other	-	-	-	-
Total revenues	<u>1,270,278</u>	<u>1,257,789</u>	<u>1,406,963</u>	<u>149,174</u>
Expenditures:				
Debt service:				
Principal	1,115,000	1,115,000	1,115,000	-
Interest and fiscal agent fees	<u>155,278</u>	<u>153,000</u>	<u>153,000</u>	-
Total expenditures	<u>1,270,278</u>	<u>1,268,000</u>	<u>1,268,000</u>	-
Net change in fund balances	-	(10,211)	138,963	149,174
Fund balances - beginning	<u>574,439</u>	<u>574,439</u>	<u>574,439</u>	-
Fund balances - ending	<u>\$ 574,439</u>	<u>\$ 564,228</u>	<u>\$ 713,402</u>	<u>\$ 149,174</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 138,963	
To adjust revenues for accruals			<u>5,717</u>	
Net change in fund balance, GAAP basis			<u>\$ 144,680</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS - REDEVELOPMENT BOND - AIRPORT TAXABLE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 5,000	\$ 5,000	\$ 3,567	\$ (1,433)
Other financing sources (uses):				
Transfers out	5,000	5,000	(3,567)	(8,567)
Net change in fund balances	10,000	10,000	-	(10,000)
Fund balances - beginning	1,038,904	1,038,904	1,038,904	-
Fund balances - ending	<u>\$ 1,048,904</u>	<u>\$ 1,048,904</u>	<u>\$ 1,038,904</u>	<u>\$ (10,000)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			(1,167)	
Net change in fund balance, GAAP basis			<u>\$ (1,167)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS - COVELESKI BOND DEBT SERVICE RESERVE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 3,500	\$ 3,500	\$ 1,725	\$ (1,775)
Net change in fund balances	3,500	3,500	1,725	(1,775)
Fund balances - beginning	501,748	501,748	501,748	-
Fund balances - ending	<u>\$ 505,248</u>	<u>\$ 505,248</u>	<u>\$ 503,473</u>	<u>\$ (1,775)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,725	
To adjust revenues for accruals			<u>(758)</u>	
Net change in fund balance, GAAP basis			<u>\$ 967</u>	

CITY OF SOUTH BEND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS - REDEVELOPMENT BOND - PALAIS ROYALE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 6,000	\$ 6,000	\$ 5,959	\$ (41)
Other financing sources (uses):				
Transfers out	(6,000)	(6,000)	(5,959)	41
Net change in fund balances	-	-	-	-
Fund balances - beginning	1,735,840	1,735,840	1,735,840	-
Fund balances - ending	<u>\$ 1,735,840</u>	<u>\$ 1,735,840</u>	<u>\$ 1,735,840</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			(1,950)	
Net change in fund balance, GAAP basis			<u>\$ (1,950)</u>	

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CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - EMERGENCY MEDICAL SERVICES
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	3,690,084	2,947,084	2,957,086	10,002
Other	40,000	5,375,537	5,365,946	(9,591)
Total revenues	3,730,084	8,322,621	8,323,032	411
Expenditures:				
Public safety:				
Supplies	90,000	223,539	214,277	9,262
Other services and charges	2,312,596	1,286,364	311,961	974,403
Capital outlay	415,000	9,018,260	8,668,367	349,893
Other uses	-	-	-	-
Total expenditures	2,817,596	10,528,163	9,194,606	1,333,557
Other financing sources (uses):				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balances	(87,512)	(3,205,542)	(1,871,574)	1,333,968
Fund balances - beginning	5,522,335	5,522,335	5,522,335	-
Fund balances - ending	\$ 5,434,823	\$ 2,316,793	\$ 3,650,761	\$ 1,333,968
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (1,871,574)	
To adjust revenues for accruals			(127,119)	
To adjust expenditures for accruals			(403,441)	
To adjust expenditures for encumbrances			1,898,109	
Net change in fund balance, GAAP basis			\$ (504,025)	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - PROFESSIONAL SPORTS DEVELOPMENT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Professional sports development	\$ -	\$ -	\$ -	\$ -
Intergovernmental	600,000	600,000	597,111	(2,889)
Other	87,801	87,801	80,594	(7,207)
Total revenues	687,801	687,801	677,705	(10,096)
Expenditures:				
Culture and recreation:				
Other services and charges	776,671	776,671	776,470	201
Other uses	100,000	100,000	100,000	-
Total expenditures	876,671	876,671	876,470	201
Net change in fund balances	(188,870)	(188,870)	(198,765)	(9,895)
Fund balances - beginning	1,040,822	1,040,822	1,040,822	-
Fund balances - ending	\$ 851,952	\$ 851,952	\$ 842,057	\$ (9,895)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (198,765)	
To adjust revenues for accruals			51,441	
Net change in fund balance, GAAP basis			\$ (147,324)	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - COVELESKI STADIUM CAPITAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 500	\$ 500	\$ 92	\$ (408)
Expenditures:				
Culture and recreation:				
Supplies	-	2,002	2,002	-
Other services and charges	-	-	1,538	(1,538)
Capital outlay	-	-	-	-
Total expenditures	-	2,002	3,540	(1,538)
Net change in fund balances	500	(1,502)	(3,448)	(1,946)
Fund balances - beginning	26,758	26,758	26,758	-
Fund balances - ending	\$ 27,258	\$ 25,256	\$ 23,310	\$ (1,946)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,448)	
To adjust revenues for accruals			(40)	
To adjust expenditures for encumbrances			3,540	
Net change in fund balance, GAAP basis			\$ 52	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - ZOO ENDOWMENT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 2,900	\$ 2,900	\$ 176	\$ (2,724)
Net change in fund balances	2,900	2,900	176	(2,724)
Fund balances - beginning	48,846	48,846	48,846	-
Fund balances - ending	<u>\$ 51,746</u>	<u>\$ 51,746</u>	<u>\$ 49,022</u>	<u>\$ (2,724)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 176	
To adjust revenues for accruals			(74)	
Net change in fund balance, GAAP basis			<u>\$ 102</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - PARK NONREVERTING CAPITAL
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000	\$ 3,000	\$ 4,105	\$ 1,105
Other	<u>2,200</u>	<u>2,200</u>	<u>14,791</u>	<u>12,591</u>
Total revenues	<u>5,200</u>	<u>5,200</u>	<u>18,897</u>	<u>13,697</u>
Expenditures:				
Culture and recreation:				
Supplies	-	149,495	128,051	21,444
Other services and charges	-	24,950	11,850	13,100
Capital outlay	<u>203,500</u>	<u>42,871</u>	<u>36,731</u>	<u>6,140</u>
Total expenditures	<u>203,500</u>	<u>217,316</u>	<u>176,632</u>	<u>40,684</u>
Other financing sources (uses):				
Transfers in	<u>198,300</u>	<u>198,300</u>	<u>209,824</u>	<u>11,524</u>
Net change in fund balances	-	(13,816)	52,089	65,905
Fund balances - beginning	<u>492,385</u>	<u>492,385</u>	<u>492,385</u>	<u>-</u>
Fund balances - ending	<u>\$ 492,385</u>	<u>\$ 478,569</u>	<u>\$ 544,474</u>	<u>\$ 65,905</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 52,089	
To adjust revenues for accruals			(823)	
To adjust expenditures for accruals			(12,111)	
To adjust expenditures for encumbrances			<u>28,417</u>	
Net change in fund balance, GAAP basis			<u>\$ 67,572</u>	

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CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - CUMULATIVE CAPITAL DEVELOPMENT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 530,000	\$ 530,000	\$ 463,331	\$ (66,669)
Intergovernmental	88,126	80,325	85,904	5,579
Other	<u>4,000</u>	<u>4,000</u>	<u>2,913</u>	<u>(1,087)</u>
Total revenues	<u>622,126</u>	<u>614,325</u>	<u>552,148</u>	<u>(62,177)</u>
Expenditures:				
General government:				
Other services and charges	875,220	875,220	602,118	273,102
Capital outlay	36,000	36,000	-	36,000
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>911,220</u>	<u>911,220</u>	<u>602,118</u>	<u>309,102</u>
Net change in fund balances	(289,094)	(296,895)	(49,970)	246,925
Fund balances - beginning	<u>835,769</u>	<u>835,769</u>	<u>835,769</u>	<u>-</u>
Fund balances - ending	<u>\$ 546,675</u>	<u>\$ 538,874</u>	<u>\$ 785,799</u>	<u>\$ 246,925</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (49,970)	
To adjust revenues for accruals			<u>(7,687)</u>	
Net change in fund balance, GAAP basis			<u>\$ (57,657)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - CUMULATIVE CAPITAL IMPROVEMENT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 403,000	\$ 408,990	\$ 421,457	\$ 12,467
Other	25,100	25,100	25,122	22
Total revenues	<u>428,100</u>	<u>434,090</u>	<u>446,578</u>	<u>12,488</u>
Expenditures:				
General government:				
Other services and charges	<u>367,575</u>	<u>367,575</u>	<u>367,575</u>	<u>-</u>
Net change in fund balances	60,525	66,515	79,003	12,488
Fund balances - beginning	<u>97,720</u>	<u>97,720</u>	<u>97,720</u>	<u>-</u>
Fund balances - ending	<u>\$ 158,245</u>	<u>\$ 164,235</u>	<u>\$ 176,724</u>	<u>\$ 12,488</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 79,003	
To adjust revenues for accruals			<u>(198)</u>	
Net change in fund balance, GAAP basis			<u>\$ 78,805</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - MORRIS PERFORMING ARTS CENTER CAPITAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 100,535	\$ 535
Other	1,500	1,500	1,412	(88)
Total revenues	101,500	101,500	101,947	447
Expenditures:				
Culture and recreation:				
Supplies	25,500	25,500	13,632	11,868
Other services and charges	15,000	20,970	11,945	9,025
Capital outlay	-	26,196	15,828	10,368
Total expenditures	40,500	72,666	41,405	31,261
Net change in fund balances	61,000	28,834	60,542	31,708
Fund balances - beginning	396,268	396,268	396,268	-
Fund balances - ending	\$ 457,268	\$ 425,102	\$ 456,810	\$ 31,708
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 60,542	
To adjust revenues for accruals			3,068	
To adjust expenditures for accruals			230	
Net change in fund balance, GAAP basis			\$ 63,840	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF DOWNTOWN
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Budgetary Basis Amounts	With Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,650,000	\$ 3,650,000	\$ 2,590,808	\$ (1,059,192)
Intergovernmental	398,500	398,500	398,500	-
Charges for services	34,000	36,000	34,021	(1,979)
Other	<u>479,747</u>	<u>608,754</u>	<u>434,777</u>	<u>(173,977)</u>
Total revenues	<u>4,562,247</u>	<u>4,693,254</u>	<u>3,458,106</u>	<u>(1,235,148)</u>
Expenditures:				
Economic development:				
Other services and charges	2,750,755	3,520,474	3,448,671	71,803
Capital outlay	<u>2,349,245</u>	<u>1,781,628</u>	<u>410,351</u>	<u>1,371,277</u>
Total expenditures	<u>5,100,000</u>	<u>5,302,102</u>	<u>3,859,022</u>	<u>1,443,080</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>6,100</u>	<u>5,959</u>	<u>(141)</u>
Net change in fund balances	(537,753)	(602,748)	(394,957)	207,791
Fund balances - beginning	<u>2,843,357</u>	<u>2,843,357</u>	<u>2,843,357</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,305,604</u>	<u>\$ 2,240,609</u>	<u>\$ 2,448,400</u>	<u>\$ 207,791</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (394,957)	
To adjust revenues for accruals			630,512	
To adjust expenditures for accruals			(4,190)	
To adjust expenditures for encumbrances			<u>161,549</u>	
Net change in fund balance, GAAP basis			<u>\$ 392,914</u>	

CITY OF SOUTH BEND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS - TIF LEIGHTON PLAZA
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Other	<u>156,905</u>	<u>176,734</u>	<u>159,289</u>	<u>(17,445)</u>
Total revenues	<u>156,905</u>	<u>176,734</u>	<u>159,289</u>	<u>(17,445)</u>
Expenditures:				
Economic development:				
Supplies	11,432	11,432	10,466	966
Other services and charges	132,727	132,727	104,842	27,885
Capital outlay	<u>7,026</u>	<u>7,026</u>	<u>6,309</u>	<u>717</u>
Total expenditures	<u>151,185</u>	<u>151,185</u>	<u>121,617</u>	<u>29,568</u>
Net change in fund balances	5,720	25,549	37,672	12,123
Fund balances - beginning	<u>95,395</u>	<u>95,395</u>	<u>95,395</u>	<u>-</u>
Fund balances - ending	<u>\$ 101,115</u>	<u>\$ 120,944</u>	<u>\$ 133,067</u>	<u>\$ 12,123</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 37,672	
To adjust revenues for accruals			(1,656)	
To adjust expenditures for accruals			<u>(12,273)</u>	
Net change in fund balance, GAAP basis			<u>\$ 23,743</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF - WEST WASHINGTON
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 440,000	\$ 440,000	\$ 493,608	\$ 53,608
Other	4,000	4,000	1,435	(2,565)
Total revenues	<u>444,000</u>	<u>444,000</u>	<u>495,043</u>	<u>51,043</u>
Expenditures:				
Economic development:				
Other services and charges	10,000	11,796	2,627	9,169
Capital outlay	440,000	657,019	339,802	317,217
Total expenditures	<u>450,000</u>	<u>668,815</u>	<u>342,429</u>	<u>326,386</u>
Net change in fund balances	(6,000)	(224,815)	152,614	377,429
Fund balances - beginning	<u>451,729</u>	<u>451,729</u>	<u>451,729</u>	-
Fund balances - ending	<u>\$ 445,729</u>	<u>\$ 226,914</u>	<u>\$ 604,343</u>	<u>\$ 377,429</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 152,614	
To adjust revenues for accruals			24,430	
To adjust expenditures for accruals			9,847	
To adjust expenditures for encumbrances			8,620	
Net change in fund balance, GAAP basis			<u>\$ 195,511</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - REDEVELOPMENT GENERAL
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 150	\$ 150	\$ 104	\$ (46)
Expenditures:				
Economic development:				
Other services and charges	-	6,787	5,798	989
Net change in fund balances	150	(6,637)	(5,694)	943
Fund balances - beginning	<u>31,443</u>	<u>31,443</u>	<u>31,443</u>	<u>-</u>
Fund balances - ending	<u>\$ 31,593</u>	<u>\$ 24,806</u>	<u>\$ 25,749</u>	<u>\$ 943</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,694)	
To adjust revenues for accruals			(45)	
To adjust expenditures for accruals			<u>(6,072)</u>	
Net change in fund balance, GAAP basis			<u>\$ (11,811)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - COMMUNITY REVITALIZATION ENHANCEMENT DISTRICT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 740,000	\$ 650,000	\$ 244,481	\$ (405,519)
Other	1,000	1,000	418	(582)
Total revenues	741,000	651,000	244,899	(406,101)
Expenditures:				
Economic development:				
Other services and charges	873,949	873,949	458,949	415,000
Net change in fund balances	(132,949)	(222,949)	(214,050)	8,899
Fund balances - beginning	223,587	223,587	223,587	-
Fund balances - ending	\$ 90,638	\$ 638	\$ 9,537	\$ 8,899
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (214,050)	
To adjust revenues for accruals			(76)	
Net change in fund balance, GAAP basis			\$ (214,126)	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF NO. 1 - SOUTHSIDE DEVELOPMENT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,820,000	\$ 1,820,000	\$ 2,404,416	\$ 584,416
Interfund transfers	-	-	-	-
Other	<u>20,000</u>	<u>20,000</u>	<u>17,222</u>	<u>(2,778)</u>
Total revenues	<u>1,840,000</u>	<u>1,840,000</u>	<u>2,421,638</u>	<u>581,638</u>
Expenditures:				
Economic development:				
Other services and charges	7,500	806,455	775,069	31,386
Capital outlay	<u>5,692,500</u>	<u>5,316,430</u>	<u>4,389,653</u>	<u>926,777</u>
Total expenditures	<u>5,700,000</u>	<u>6,122,885</u>	<u>5,164,722</u>	<u>958,163</u>
Net change in fund balances	(3,860,000)	(4,282,885)	(2,743,084)	1,539,801
Fund balances - beginning	<u>5,394,777</u>	<u>5,394,777</u>	<u>5,394,777</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,534,777</u>	<u>\$ 1,111,892</u>	<u>\$ 2,651,692</u>	<u>\$ 1,539,801</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,743,084)	
To adjust revenues for accruals			64,080	
To adjust expenditures for accruals			47,507	
To adjust expenditures for encumbrances			<u>787,956</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,843,541)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF NO. 3 - SOUTHSIDE DEVELOPMENT
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,346,000	\$ 1,350,200	\$ 1,329,971	\$ (20,229)
Expenditures:				
Economic development:				
Other services and charges	<u>500,000</u>	<u>501,268</u>	<u>490,661</u>	<u>10,607</u>
Net change in fund balances	846,000	848,932	839,310	(9,622)
Fund balances - beginning	<u>5,567,627</u>	<u>5,567,627</u>	<u>5,567,627</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,413,627</u>	<u>\$ 6,416,559</u>	<u>\$ 6,406,937</u>	<u>\$ (9,622)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 839,310	
To adjust revenues for accruals			(8,961)	
To adjust expenditures for accruals			(656)	
To adjust expenditures for encumbrances			<u>656</u>	
Net change in fund balance, GAAP basis			<u>\$ 830,349</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF - CENTRAL MEDICAL SERVICE AREA
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,720,000	\$ 1,720,000	\$ 1,221,676	\$ (498,324)
Other	10,000	12,600	12,242	(358)
Total revenues	<u>1,730,000</u>	<u>1,732,600</u>	<u>1,233,919</u>	<u>(498,681)</u>
Expenditures:				
Economic development:				
Other services and charges	2,500	304,172	302,592	1,580
Capital outlay	<u>3,597,500</u>	<u>4,466,372</u>	<u>1,959,020</u>	<u>2,507,352</u>
Total expenditures	<u>3,600,000</u>	<u>4,770,544</u>	<u>2,261,611</u>	<u>2,508,933</u>
Net change in fund balances	(1,870,000)	(3,037,944)	(1,027,693)	2,010,251
Fund balances - beginning (restated)	<u>2,429,656</u>	<u>2,429,656</u>	<u>2,429,656</u>	-
Fund balances - ending	<u>\$ 559,656</u>	<u>\$ (608,288)</u>	<u>\$ 1,401,963</u>	<u>\$ 2,010,251</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,027,693)	
To adjust revenues for accruals			413,600	
To adjust expenditures for accruals			112,889	
To adjust expenditures for encumbrances			<u>401,004</u>	
Net change in fund balance, GAAP basis			<u>\$ (100,200)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - FOOTBALL HALL OF FAME CAPITAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 4,500	\$ 4,542	\$ 2,458	\$ (2,084)
Expenditures:				
Culture and recreation:				
Supplies	15,000	15,000	3,242	11,758
Other services and charges	162,527	164,322	68,803	95,519
Total expenditures	177,527	179,322	72,045	107,277
Net change in fund balances	(173,027)	(174,780)	(69,587)	105,193
Fund balances - beginning	719,086	719,086	719,086	-
Fund balances - ending	\$ 546,059	\$ 544,306	\$ 649,499	\$ 105,193
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (69,587)	
To adjust revenues for accruals			(1,045)	
To adjust expenditures for accruals			61,724	
To adjust expenditures for encumbrances			8,908	
Net change in fund balance, GAAP basis			\$ -	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - MAJOR MOVES
 For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 528,662	\$ 528,662	\$ 500,882	\$ (27,780)
Expenditures:				
Highways and streets:				
Capital outlay	<u>2,280,000</u>	<u>3,395,846</u>	<u>2,577,410</u>	<u>-818,436</u>
Net change in fund balances	(1,751,338)	(2,867,184)	(2,076,528)	790,656
Fund balances - beginning	<u>7,896,696</u>	<u>7,896,696</u>	<u>7,896,696</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,145,358</u>	<u>\$ 5,029,512</u>	<u>\$ 5,820,168</u>	<u>\$ 790,656</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,076,528)	
To adjust revenues for accruals			(226,996)	
To adjust expenditures for accruals			58,103	
To adjust expenditures for encumbrances			<u>1,323,730</u>	
Net change in fund balance, GAAP basis			<u>\$ (921,691)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF - NORTHEAST DEVELOPMENT
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 820,000	\$ 820,000	\$ 841,627	\$ 21,627
Other	3,000	8,300	8,057	(243)
Total revenues	823,000	828,300	849,684	21,384
Expenditures:				
Economic development:				
Other services and charges	20,000	80,655	66,634	14,021
Capital outlay	2,330,000	2,308,340	-	2,308,340
Total expenditures	2,350,000	2,388,995	66,634	2,322,361
Net change in fund balances	(1,527,000)	(1,560,695)	783,050	2,343,745
Fund balances - beginning	2,219,623	2,219,623	2,219,623	-
Fund balances - ending	<u>\$ 692,623</u>	<u>\$ 658,928</u>	<u>\$ 3,002,673</u>	<u>\$ 2,343,745</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 783,050	
To adjust revenues for accruals			(447)	
To adjust expenditures for accruals			8,865	
To adjust expenditures for encumbrances			6,117	
Net change in fund balance, GAAP basis			<u>\$ 797,585</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF - DOUGLAS ROAD
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 320,000	\$ 320,000	\$ 323,939	\$ 3,939
Other	1,000	1,000	454	(546)
Total revenues	321,000	321,000	324,393	3,393
Expenditures:				
Economic development:				
Other services and charges	190,461	195,384	195,079	305
Capital outlay	259,539	259,398	-	259,398
Total expenditures	450,000	454,782	195,079	259,703
Net change in fund balances	(129,000)	(133,782)	129,314	263,096
Fund balances - beginning	160,926	160,926	160,926	-
Fund balances - ending	<u>\$ 31,926</u>	<u>\$ 27,144</u>	<u>\$ 290,240</u>	<u>\$ 263,096</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 129,314	
To adjust revenues for accruals			(247,646)	
To adjust expenditures for accruals			35,202	
To adjust expenditures for encumbrances			4,360	
Net change in fund balance, GAAP basis			<u>\$ (78,770)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - TIF - NORTHEAST RESIDENTIAL
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,450,000	\$ 2,450,000	\$ 2,262,765	\$ (187,235)
Other	10,000	10,000	8,423	(1,577)
Total revenues	<u>2,460,000</u>	<u>2,460,000</u>	<u>2,271,188</u>	<u>(188,812)</u>
Expenditures:				
Economic development:				
Other services and charges	<u>3,228,500</u>	<u>3,229,957</u>	<u>3,218,420</u>	<u>11,537</u>
Net change in fund balances	(768,500)	(769,957)	(947,232)	(177,275)
Fund balances - beginning	<u>3,501,311</u>	<u>3,501,311</u>	<u>3,501,311</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,732,811</u>	<u>\$ 2,731,354</u>	<u>\$ 2,554,079</u>	<u>\$ (177,275)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (947,232)	
To adjust revenues for accruals			209,740	
To adjust expenditures for accruals			<u>180,214</u>	
Net change in fund balance, GAAP basis			<u>\$ (557,278)</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - CERTIFIED TECHNOLOGY PARK
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 817,000	\$ 2,861,027	\$ 2,866,234	\$ 5,207
Expenditures:				
Economic development:				
Capital outlay	-	-	-	-
Net change in fund balances	817,000	2,861,027	2,866,234	5,207
Fund balances - beginning	816,362	816,362	816,362	-
Fund balances - ending	<u>\$ 1,633,362</u>	<u>\$ 3,677,389</u>	<u>\$ 3,682,596</u>	<u>\$ 5,207</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,866,234	
To adjust revenues for accruals			<u>(1,449,164)</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,417,070</u>	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS - PALAIS ROYALE HISTORICAL PRESERVATION
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 16,125	\$ 16,125	\$ 15,561	\$ (564)
Expenditures:				
Culture and recreation:				
Other services and charges	-	21,000	20,470	530
Capital outlay	-	-	-	-
Total expenditures	-	21,000	20,470	530
Net change in fund balances	16,125	(4,875)	(4,909)	(34)
Fund balances - beginning	58,304	58,304	58,304	-
Fund balances - ending	\$ 74,429	\$ 53,429	\$ 53,395	\$ (34)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,909)	
To adjust revenues for accruals			475	
Net change in fund balance, GAAP basis			\$ (4,434)	

CITY OF SOUTH BEND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS - AIRPORT URBAN ENTERPRISE ZONE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other	1,000	1,300	1,289	(11)
Total revenues	1,000	1,300	1,289	(11)
Expenditures:				
Economic development:				
Other services and charges	-	-	-	-
Net change in fund balances	1,000	1,300	1,289	(11)
Fund balances - beginning	375,082	375,082	375,082	-
Fund balances - ending	\$ 376,082	\$ 376,382	\$ 376,371	\$ (11)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,289	
To adjust revenues for accruals			(535)	
Net change in fund balance, GAAP basis			\$ 754	



IV Non Major Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Consolidated Building -	To account for the operation of the consolidated St. Joseph County/ South Bend Building Department.
Parking Garage -	To account for the operation and maintenance of the City's parking gar- ages.
Solid Waste -	To account for the provision of solid waste services.
Blackthorn Golf Course -	To account for the operation and maintenance of the City's Blackthorn Golf Course.

CITY OF SOUTH BEND
 COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
 December 31, 2013

	<u>Consolidated Building</u>	<u>Parking Garage</u>	<u>Solid Waste</u>	<u>Blackthorn Golf Course</u>	<u>Totals</u>
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 38,670	\$ 225,327	\$ 795,275	\$ 52,362	\$ 1,111,634
Investments	112,810	657,340	591,239	38,766	1,400,155
Interest receivable	163	949	120	53	1,285
Accounts receivable (net of allowance)	14,663	1,520	421,007	4,444	441,634
Inventories	-	-	-	22,038	22,038
Restricted assets:					
Cash and cash equivalents:					
Capital outlay accounts	-	-	118,441	-	118,441
Cash with fiscal agent	-	-	552,342	-	552,342
Investments:					
Capital outlay accounts	-	-	88,053	-	88,053
 Total current assets	 <u>166,306</u>	 <u>885,136</u>	 <u>2,566,477</u>	 <u>117,663</u>	 <u>3,735,582</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	-	1,132,020	-	448,469	1,580,489
Other capital assets (net of accumulated depreciation)	<u>63,920</u>	<u>3,953,686</u>	<u>2,329,551</u>	<u>1,860,932</u>	<u>8,208,089</u>
 Total noncurrent assets	 <u>63,920</u>	 <u>5,085,706</u>	 <u>2,329,551</u>	 <u>2,309,401</u>	 <u>9,788,578</u>
 Total assets	 <u>230,226</u>	 <u>5,970,842</u>	 <u>4,896,028</u>	 <u>2,427,064</u>	 <u>13,524,160</u>
Deferred outflows of resources:					
Unamortized loss on sale/leaseback	-	1,125,301	-	-	1,125,301
 Total deferred outflow of resources	 <u>-</u>	 <u>1,125,301</u>	 <u>-</u>	 <u>-</u>	 <u>1,125,301</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
 December 31, 2013
 (Continued)

<u>Liabilities</u>	<u>Consolidated Building</u>	<u>Parking Garage</u>	<u>Solid Waste</u>	<u>Blackthorn Golf Course</u>	<u>Totals</u>
Current liabilities:					
Accounts payable	11,671	96,837	209,826	3,406	321,740
Interfund payables:					
Interfund services provided and used	7,356	-	-	-	7,356
Accrued payroll payable	56,229	-	54,420	-	110,649
Compensated absences payable	111,489	-	50,131	-	161,620
Performance deposits payable	37,437	-	-	-	37,437
Current liabilities payable from restricted assets:					
Capital leases payable	14,628	-	700,136	52,087	766,851
Accrued interest payable	155	-	11,019	-	11,174
Total current liabilities	<u>238,965</u>	<u>96,837</u>	<u>1,025,532</u>	<u>55,493</u>	<u>1,416,827</u>
Noncurrent liabilities:					
Advances from other funds	-	-	-	1,742,115	1,742,115
Capital leases payable	32,978	-	1,894,497	54,716	1,982,191
Total noncurrent liabilities	<u>32,978</u>	<u>-</u>	<u>1,894,497</u>	<u>1,796,831</u>	<u>3,724,306</u>
Total liabilities	<u>271,943</u>	<u>96,837</u>	<u>2,920,029</u>	<u>1,852,324</u>	<u>5,141,133</u>
Deferred inflows or resources:					
Unamortized gain on sale/leaseback	-	10,277	-	-	10,277
Net Position					
Net investment in capital assets	-	5,085,706	(265,082)	2,202,598	7,023,222
Restricted for capital asset outlays	-	-	206,494	-	206,494
Unrestricted	(41,717)	1,903,323	2,034,587	(1,627,858)	2,268,335
Total net position	<u>\$ (41,717)</u>	<u>\$ 6,989,029</u>	<u>\$ 1,975,999</u>	<u>\$ 574,740</u>	<u>\$ 9,498,051</u>

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2013

	Consolidated Building	Parking Garage	Solid Waste	Blackthorn Golf Course	Totals
Operating revenues:					
Licenses and permits	\$ 964,240	\$ -	\$ -	\$ -	\$ 964,240
Parking fees	-	948,722	-	-	948,722
Solid waste fees	-	-	4,800,454	-	4,800,454
Golf course fees	-	-	-	1,530,402	1,530,402
Other	3,427	20,146	598,590	-	622,163
Total operating revenues	967,667	968,868	5,399,044	1,530,402	8,865,981
Operating expenses:					
Operating and maintenance	1,089,316	-	4,395,179	1,194,830	6,679,325
Administrative and general expense:	17,376	463,756	332,856	127,077	941,065
Depreciation	24,144	260,960	331,220	157,513	773,837
Total operating expenses	1,130,836	724,716	5,059,255	1,479,420	8,394,227
Operating income (loss)	(163,169)	244,152	339,789	50,982	471,754
Nonoperating revenues (expenses):					
Interest and investment revenue	394	1,131	2,300	146	3,971
Interest expense	(979)	-	(32,333)	(18,093)	(51,405)
Amortization expense	-	(560,340)	-	-	(560,340)
Total nonoperating revenue (expenses)	(585)	(559,209)	(30,033)	(17,947)	(607,774)
Income (loss) before contributions and transfers	(163,754)	(315,057)	309,756	33,035	(136,020)
Transfers out	-	-	-	(207,879)	(207,879)
Change in net position	(163,754)	(315,057)	309,756	(174,844)	(343,899)
Total net position - beginning	122,037	7,304,086	1,666,243	749,584	9,841,950
Total net position - ending	\$ (41,717)	\$ 6,989,029	\$ 1,975,999	\$ 574,740	\$ 9,498,051

CITY OF SOUTH BEND
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
 For The Year Ended December 31, 2013

	Consolidated Building	Parking Garage	Solid Waste	Blackthorn Golf Course	Totals
Cash flows from operating activities:					
Receipts from customers and users	\$ 953,561	\$ 968,614	\$ 5,424,977	\$ 1,525,958	\$ 8,873,110
Payments to suppliers	(107,851)	(435,292)	(2,664,790)	(709,098)	(3,917,031)
Payments to employees	(865,254)	-	(1,664,959)	(609,143)	(3,139,356)
Payments for interfund services used	(22,417)	(23,700)	(386,520)	(6,136)	(438,773)
Net cash provided (used) by operating activities	<u>(41,961)</u>	<u>509,622</u>	<u>708,708</u>	<u>201,581</u>	<u>1,377,950</u>
Cash flows from noncapital financing activities:					
Principal paid on interfund loan	-	-	-	(10,759)	(10,759)
Transfers to other funds	-	-	-	(207,879)	(207,879)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(218,638)</u>	<u>(218,638)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	(483,315)	(1,696,427)	-	(2,179,742)
Proceeds from capital debt issued	4,094	-	800,686	-	804,780
Principal paid on capital debt	(13,919)	-	(614,111)	(666,170)	(1,294,200)
Interest paid on capital debt	(990)	-	(33,841)	(25,636)	(60,467)
Net cash provided (used) by capital and related financing activities	<u>(10,815)</u>	<u>(483,315)</u>	<u>(1,543,693)</u>	<u>(691,806)</u>	<u>(2,729,629)</u>
Cash flows from investing activities:					
Investments sold	13,895	-	135,977	202,630	352,502
Investments purchased	-	(125,628)	(87,986)	(38,428)	(252,042)
Interest received	393	858	3,555	352	5,158
Net cash provided (used) by investing activities	<u>14,288</u>	<u>(124,770)</u>	<u>51,546</u>	<u>164,554</u>	<u>105,618</u>
Net decrease in cash and cash equivalents	(38,488)	(98,463)	(783,439)	(544,309)	(1,464,699)
Cash and cash equivalents, January 1 (Including \$551,638 and \$41 for the revenue bond covenants and capital outlays, respectively, reported in restricted accounts)					
	<u>77,158</u>	<u>323,790</u>	<u>2,249,497</u>	<u>596,671</u>	<u>3,247,116</u>
Cash and cash equivalents, December 31 (Including \$118,441 for capital outlays reported in restricted accounts)					
	<u>\$ 38,670</u>	<u>\$ 225,327</u>	<u>\$ 1,466,058</u>	<u>\$ 52,362</u>	<u>\$ 1,782,417</u>

(Continued on next page)

CITY OF SOUTH BEND
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
 For The Year Ended December 31, 2013
 (Continued)

	<u>Consolidated Building</u>	<u>Parking Garage</u>	<u>Solid Waste</u>	<u>Blackthorn Golf Course</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (163,169)	\$ 244,152	\$ 339,789	\$ 50,982	\$ 471,754
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	24,144	260,960	331,220	157,513	773,837
Bad debt expense	-	-	75,204	-	75,204
(Increase) decrease in assets:					
Accounts receivable	(14,104)	(254)	(53,605)	(4,444)	(72,407)
Interfund receivable	-	-	4,333	-	4,333
Inventories	-	-	-	(3,965)	(3,965)
Increase (decrease) in liabilities:					
Accounts payable	10,160	4,764	67,810	1,662	84,396
Interfund payable	5,903	-	(53,664)	(167)	(47,928)
Accrued payroll payable	30,018	-	3,034	-	33,052
Compensated absence payable	65,087	-	(5,413)	-	59,674
Total adjustments	<u>121,208</u>	<u>265,470</u>	<u>368,919</u>	<u>150,599</u>	<u>906,196</u>
Net cash provided (used) by operating activities	<u>\$ (41,961)</u>	<u>\$ 509,622</u>	<u>\$ 708,708</u>	<u>\$ 201,581</u>	<u>\$ 1,377,950</u>



V Internal Service Funds

INTERNAL SERVICE FUNDS

Liability Insurance Premium Reserve -	To account for expenses related to maintaining the City's self-funded liability insurance including administrative costs, claims and premiums. Funding is provided by assessments to certain other City funds.
Self-Funded Employee Benefits -	To account for employer and employees' contributions for a medical insurance plan.
Central Services -	To account for expenses related to fuel, vehicle repairs and various supplies provided to City departments on a cost-reimbursement basis.
Police Take Home Vehicle -	To account for expenses associated with claims arising from use of program vehicles occurring while officers are not on duty. Funding is provided by officers participating in the program.
Unemployment Compensation Insurance -	To account for payment of unemployment claims to the Indiana Department of Workforce Development. Financing is provided by allocating costs to user departments to cover the estimated costs of claims.

CITY OF SOUTH BEND
 COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
 December 31, 2013

	Liability Insurance Premium Reserve	Self- Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Totals
<u>Assets</u>						
Current assets:						
Cash and cash equivalents	\$ 1,321,474	\$ 1,462,227	\$ 373,521	\$ 115,431	\$ 66,265	\$ 3,338,918
Investments	3,855,105	4,189,527	1,089,665	336,743	193,317	9,664,357
Interest receivable	5,562	6,050	1,551	485	279	13,927
Accounts receivable	-	7,928	31,555	-	-	39,483
Interfund receivables:						
Interfund services provided and used	-	-	3,135	-	-	3,135
Inventories	-	-	859,536	-	-	859,536
Total current assets	5,182,141	5,665,732	2,358,963	452,659	259,861	13,919,356
Capital assets:						
Other capital assets (net of accumulated depreciation)	40,986	-	1,338,554	-	-	1,379,540
Total assets	5,223,127	5,665,732	3,697,517	452,659	259,861	15,298,896
<u>Liabilities</u>						
Current liabilities:						
Accounts payable	4,525	1,118,314	623,083	-	24,693	1,770,615
Interfund payables:						
Interfund services provided and used	-	1,487	861	-	-	2,348
Accrued payroll payable	5,869	-	195,632	-	-	201,501
Compensated absences	12,007	-	-	-	-	12,007
Capital leases payable	-	-	5,802	-	-	5,802
Interest payable	-	-	136	-	-	136
Estimate of unfiled claims	2,791,134	100,000	-	-	-	2,891,134
Total current liabilities	2,813,535	1,219,801	825,514	-	24,693	4,883,543
Noncurrent liabilities:						
Capital leases payable	-	-	6,268	-	-	6,268
Total liabilities	2,813,535	1,219,801	831,782	-	24,693	4,889,811
<u>Net Position</u>						
Investment in capital assets	40,986	-	1,326,484	-	-	1,367,470
Unrestricted	2,368,606	4,445,931	1,539,251	452,659	235,168	9,041,615
Total net position	\$ 2,409,592	\$ 4,445,931	\$ 2,865,735	\$ 452,659	\$ 235,168	\$ 10,409,085

CITY OF SOUTH BEND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2013

	Liability Insurance Premium Reserve	Self- Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Totals
Operating revenues:						
Employee/employer contributions	\$ 2,988,576	\$ 11,857,011	\$ -	\$ 123,413	\$ 252,383	\$ 15,221,383
Charges for sales and services	-	-	7,199,304	-	-	7,199,304
Other	2,512	-	9,798	-	-	12,310
Total operating revenues	2,991,088	11,857,011	7,209,102	123,413	252,383	22,432,997
Operating expenses:						
Operation and maintenance	-	-	7,242,586	-	-	7,242,586
Administration	202,935	565,535	201,148	63,700	-	1,033,318
Insurance claims and premiums	44,210	13,583,715	-	-	75,700	13,703,625
Depreciation	8,006	-	107,775	-	-	115,781
Total operating expenses	255,151	14,149,250	7,551,509	63,700	75,700	22,095,310
Operating income (loss)	2,735,937	(2,292,239)	(342,407)	59,713	176,683	337,687
Nonoperating revenues (expenses):						
Interest and investment revenue	10,733	15,346	1,514	804	293	28,690
Interest expense	-	-	1,396	-	-	1,396
Total nonoperating revenue (expenses)	10,733	15,346	2,910	804	293	30,086
Change in net position	2,746,670	(2,276,893)	(339,497)	60,517	176,976	367,773
Total net position - beginning	(337,078)	6,722,824	3,205,232	392,142	58,192	10,041,312
Total net position - ending	\$ 2,409,592	\$ 4,445,931	\$ 2,865,735	\$ 452,659	\$ 235,168	\$ 10,409,085

CITY OF SOUTH BEND
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2013

	Liability Insurance Premium Reserve	Self- Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,991,249	\$ 12,131,296	\$ 78,107	\$ 123,413	\$ 252,383	\$ 15,576,448
Receipts from interfund services provided	-	1,487	7,668,270	-	-	7,669,757
Payments to suppliers	(3,049,608)	(13,924,879)	(4,847,679)	(63,700)	(65,443)	(21,951,309)
Payments to employees	2,409	-	(2,473,255)	-	-	(2,470,846)
Payments for interfund services used	(128)	-	567	-	-	439
Net cash provided (used) by operating activities	(56,078)	(1,792,096)	426,010	59,713	186,940	(1,175,511)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(40,986)	-	(53,980)	-	-	(94,966)
Proceeds from sale of capital assets	18,552	-	-	-	-	18,552
Principal paid on capital debt	-	-	(1,754)	-	-	(1,754)
Interest paid on capital debt	-	-	(42)	-	-	(42)
Net cash provided (used) by capital and related financing activities	(22,434)	-	(55,776)	-	-	(78,210)
Cash flows from investing activities:						
Sale of Investments	-	411,329	-	-	-	411,329
Purchases of Investments	(594,749)	-	(411,753)	(93,211)	(148,213)	(1,247,926)
Interest received	9,318	15,150	2,221	629	71	27,389
Net cash provided (used) by investing activities	(585,431)	426,479	(409,532)	(92,582)	(148,142)	(809,208)
Net increase (decrease) in cash and cash equivalents	(663,943)	(1,365,617)	(39,298)	(32,869)	38,798	(2,062,929)
Cash and cash equivalents, January 1	1,985,417	2,827,844	412,819	148,300	27,467	5,401,847
Cash and cash equivalents, December 31	\$ 1,321,474	\$ 1,462,227	\$ 373,521	\$ 115,431	\$ 66,265	\$ 3,338,918
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 2,735,937	\$ (2,292,239)	\$ (342,407)	\$ 59,713	\$ 176,683	\$ 337,687
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	8,006	-	107,775	-	-	115,781
(Increase) decrease in assets:						
Accounts receivable	161	274,285	875	-	-	275,321
Interfund receivables	(128)	-	536,400	-	-	536,272
Inventories	-	-	(56,996)	-	-	(56,996)
Increase (decrease) in liabilities:						
Accounts payable	(9,121)	224,371	180,590	-	10,257	406,097
Interfund payables	-	1,487	567	-	-	2,054
Accrued payroll payable	352	-	115,664	-	-	116,016
Compensated absences payable	2,057	-	(116,458)	-	-	(114,401)
Estimated unfilled claims	(2,793,342)	-	-	-	-	(2,793,342)
Total adjustments	(2,792,015)	500,143	768,417	-	10,257	(1,513,198)
Net cash provided (used) by operating activities	\$ (56,078)	\$ (1,792,096)	\$ 426,010	\$ 59,713	\$ 186,940	\$ (1,175,511)



VI Fiduciary Funds

FIDUCIARY FUNDS

Pension Trust Funds

- 1925 Police Pension - To account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members, and state pension relief distributions.
- 1937 Firefighters' Pension - To account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members and state pension relief distributions.

Agency Funds

- Payroll - To account for the payroll of City employees and pension benefits of the Police and Firefighters' Pension Funds. Gross payroll and pension benefits are treated as expenditures in other City funds and transferred into this fund, which serves as a clearing account.
- Morris Palais Royale
Box Office - To account for Morris Entertainment Center and Palais Royale event advance deposits and related expenses.

CITY OF SOUTH BEND
 COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS
 December 31, 2013

	<u>1925 Police Pension</u>	<u>1937 Firefighters' Pension</u>	<u>Total Pension Trust Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 435,434	\$ 239,066	\$ 674,500
Investments	1,270,283	697,421	1,967,704
Receivables:			
Interest	<u>1,845</u>	<u>1,018</u>	<u>2,863</u>
Total assets	<u><u>1,707,562</u></u>	<u><u>937,505</u></u>	<u><u>2,645,067</u></u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	-	12,000	12,000
Accrued payroll payable	<u>-</u>	<u>620</u>	<u>620</u>
Total liabilities	<u><u>-</u></u>	<u><u>12,620</u></u>	<u><u>12,620</u></u>
<u>Net Position</u>			
Net position held in trust for:			
Employees' pension benefits	<u><u>\$ 1,707,562</u></u>	<u><u>\$ 924,885</u></u>	<u><u>\$ 2,632,447</u></u>

CITY OF SOUTH BEND
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 For the Year Ended December 31, 2013

	<u>1925 Police Pension</u>	<u>1937 Firefighters' Pension</u>	<u>Total Pension Trust Funds</u>
<u>Additions</u>			
Contributions:			
On behalf	\$ 5,863,697	\$ 5,035,292	\$ 10,898,989
Plan members	881	-	881
Other	<u>4,854</u>	<u>-</u>	<u>4,854</u>
Total contributions	<u>5,869,432</u>	<u>5,035,292</u>	<u>10,904,724</u>
Net investment income:			
Interest	<u>2,355</u>	<u>1,164</u>	<u>3,519</u>
Total additions	<u>5,871,787</u>	<u>5,036,456</u>	<u>10,908,243</u>
<u>Deductions</u>			
Benefits	6,463,447	5,458,690	11,922,137
Administrative expense	<u>11,300</u>	<u>1,212</u>	<u>12,512</u>
Total deductions	<u>6,474,747</u>	<u>5,459,902</u>	<u>11,934,649</u>
Changes in net position	(602,960)	(423,446)	(1,026,406)
Net position - beginning	<u>2,310,522</u>	<u>1,348,331</u>	<u>3,658,853</u>
Net position - ending	<u>\$ 1,707,562</u>	<u>\$ 924,885</u>	<u>\$ 2,632,447</u>

CITY OF SOUTH BEND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
For the Year Ended December 31, 2013

	Payroll	Morris Palais Royale Box Office	Total Agency Funds
Assets:			
Cash and cash equivalents, January 1	\$ 1,054,365	\$ 1,383,306	\$ 2,437,671
Additions	100,859,874	3,336,240	104,196,114
Deductions	<u>(101,615,542)</u>	<u>(3,379,948)</u>	<u>(104,995,490)</u>
Cash and cash equivalents, December 31	<u>298,697</u>	<u>1,339,598</u>	<u>1,638,295</u>
Total assets, December 31	<u>\$ 298,697</u>	<u>\$ 1,339,598</u>	<u>\$ 1,638,295</u>
Liabilities			
Accrued payroll and withholdings payable, January 1	\$ 1,054,365	\$ -	\$ 1,054,365
Additions	100,859,874	-	100,859,874
Deductions	<u>(101,615,542)</u>	<u>-</u>	<u>(101,615,542)</u>
Accrued payroll and withholdings payable, December 31	<u>298,697</u>	<u>-</u>	<u>298,697</u>
Customer deposits, January 1	-	1,383,306	1,383,306
Additions	-	3,336,240	3,336,240
Deductions	<u>-</u>	<u>(3,379,948)</u>	<u>(3,379,948)</u>
Customer deposits, December 31	<u>-</u>	<u>1,339,598</u>	<u>1,339,598</u>
Total liabilities, December 31	<u>\$ 298,697</u>	<u>\$ 1,339,598</u>	<u>\$ 1,638,295</u>



VII Statistical Section

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City of South Bend's financial position and performance have changed over time.

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

	<u>2004</u>	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Invested in capital assets, net of related debt	7,383,902	35,777,247	208,509,577	200,634,954	178,178,047	178,483,535	186,771,216	196,265,413	210,282,574	192,190,446
Restricted	1,966,388	6,138,257	5,225,642	5,370,627	11,077,687	12,825,227	8,840,610	9,354,772	8,050,418	7,990,172
Unrestricted	59,250,281	26,957,659	24,900,036	47,150,229	56,786,214	82,877,695	96,539,932	82,271,482	74,298,231	86,413,227
Total governmental activities net position	68,600,571	68,873,163	238,635,255	253,155,810	246,041,948	274,186,457	292,151,758	287,891,667	292,631,223	286,593,845
Business-type activities										
Invested in capital assets, net of related debt	93,370,899	94,833,960	97,670,533	112,194,451	124,705,327	119,607,643	122,108,095	103,463,004	113,193,929	114,506,252
Restricted	13,254,447	17,942,700	22,535,858	8,273,257	8,630,542	14,075,339	13,320,967	12,937,988	29,259,933	48,267,664
Unrestricted	19,015,375	8,751,584	7,168,852	15,793,782	9,209,917	12,597,138	19,262,192	45,733,630	26,957,505	7,906,258
Total business-type activities net position	125,640,721	121,528,244	127,375,243	136,261,490	142,545,786	146,280,120	154,691,254	162,134,622	169,411,367	170,680,174
Primary government										
Invested in capital assets, net of related debt	100,754,801	130,611,207	306,180,110	312,829,405	302,883,374	298,091,178	308,879,311	299,728,417	323,476,503	306,696,698
Restricted	15,220,835	24,080,957	27,761,500	13,643,884	19,708,229	26,900,566	22,161,577	22,292,760	37,310,351	56,257,836
Unrestricted	78,265,656	35,709,243	32,068,888	62,944,011	65,996,131	95,474,833	115,802,124	128,005,112	101,255,736	94,319,485
Total primary government net position	194,241,292	190,401,407	366,010,498	389,417,300	388,587,734	420,466,577	446,843,012	450,026,289	462,042,590	457,274,019

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.

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, Indiana
Changes in Net Position
Last Ten Fiscal Years

<u>Expenses</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:										
General government	(17,523,559)	(15,033,018)	(17,194,920)	(13,680,203)	(10,253,389)	(7,903,378)	(8,261,861)	(16,783,351)	(13,788,310)	(13,200,898)
Public safety	(45,799,395)	(72,450,941)	(56,600,175)	(52,751,974)	(49,728,256)	(50,800,573)	(62,106,991)	(73,530,442)	(69,977,237)	(76,023,819)
Highways and streets	(9,855,890)	(9,010,971)	(21,813,189)	(17,904,129)	(22,292,012)	(15,042,344)	(9,526,537)	(7,574,003)	(14,639,158)	(20,915,815)
Health and welfare	(102,314)	(75,352)	(114,131)	(75,000)	(75,000)	0	0	0	0	0
Culture and recreation	(13,689,893)	(8,840,970)	(14,994,300)	(16,454,667)	(18,311,807)	(17,981,839)	(16,036,194)	(15,566,794)	(21,724,589)	(26,846,471)
Economic development	(18,102,343)	(22,436,802)	(18,813,636)	(18,206,948)	(27,299,233)	(4,335,618)	(30,744,012)	(34,648,975)	(20,217,987)	(10,069,690)
Interest on long-term debt	(6,209,012)	(5,943,021)	(5,841,032)	(5,859,102)	(7,080,166)	(8,049,610)	(7,339,548)	(6,798,531)	(6,134,406)	(5,961,124)
Total governmental activities expenses	(111,282,406)	(133,791,075)	(135,371,383)	(124,932,023)	(135,039,863)	(104,113,362)	(134,015,143)	(154,902,096)	(146,481,687)	(153,017,817)
Business-type activities:										
Water	(12,275,029)	(12,447,141)	(11,916,504)	(13,061,750)	(13,492,744)	(12,584,679)	(12,525,246)	(11,972,840)	(12,228,014)	(15,221,865)
Wastewater	(16,125,258)	(18,452,785)	(16,972,401)	(18,295,813)	(23,020,991)	(27,047,143)	(21,403,663)	(22,260,005)	(23,809,975)	(26,390,790)
Civic Center	(3,592,627)	(3,478,359)	(3,355,531)	(3,490,103)	(3,562,285)	(3,488,266)	(2,989,586)	(3,100,484)	(2,929,268)	(4,330,656)
Building department	(1,134,986)	(1,047,007)	(1,102,164)	(1,090,327)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)
Parking	(1,739,235)	(1,165,502)	(1,261,942)	(1,444,146)	(1,466,200)	(1,471,960)	(1,438,288)	(1,467,646)	(1,721,655)	(1,285,056)
Solid waste	(4,015,831)	(4,920,464)	(4,187,706)	(4,072,910)	(4,299,846)	(4,036,001)	(4,204,056)	(4,962,157)	(5,118,806)	(5,091,588)
Golf course	(1,778,107)	(1,736,939)	(1,811,757)	(1,811,801)	(1,829,122)	(1,881,982)	(1,995,556)	(1,689,042)	(1,841,998)	(1,497,513)
Total business-type activities net expenses	(40,661,073)	(43,248,197)	(40,608,005)	(43,266,850)	(48,780,128)	(51,623,898)	(45,486,515)	(46,323,473)	(48,559,092)	(54,949,283)
Total primary government net position	(151,943,479)	(177,039,272)	(175,979,388)	(168,198,873)	(183,819,991)	(155,737,260)	(179,501,658)	(201,225,569)	(195,040,779)	(207,967,100)

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.

City of South Bend, Indiana
Changes in Net Position, Last Ten Fiscal Years (continued)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:										
Charges for services:										
General government	\$6,054,637	\$148,150	\$6,883,104	\$6,553,121	\$6,647,223	\$6,855,830	\$6,964,269	\$1,165,018	\$2,100,103	\$1,939,865
Public safety	2,075,522	2,239,368	5,132,285	4,228,405	5,035,433	5,051,827	4,916,958	4,096,566	5,079,182	5,210,272
Highways and streets	0	135,313	44,250	0	0	5,152	28,110	227,000	291,840	451,363
Economic development	168,523	516,570	562,807	604,873	636,722	332,454	283,420	683,503	271,366	444,839
Culture and recreation	1,044,512	3,784,176	4,940,629	5,057,076	5,300,818	5,063,896	4,995,049	4,681,536	5,224,543	5,112,019
Operating grants and contributions	10,718,149	12,916,362	12,452,463	15,628,287	11,356,682	12,199,444	29,467,573	32,091,246	24,937,596	21,466,622
Capital grants and contributions	10,326,795	9,447,723	13,793,363	960,502	1,176,783	780,137	1,472,233	2,328,468	2,468,120	1,867,213
Total governmental activities program revenues	30,388,138	29,187,662	43,808,901	33,032,264	30,153,661	30,288,740	48,127,612	45,273,337	40,372,750	36,492,193
Business-type activities:										
Charges for services:										
Water	12,513,333	12,130,549	14,757,819	15,336,891	14,926,833	14,151,289	14,194,442	14,080,592	15,409,171	15,102,462
Wastewater	14,773,651	14,830,607	18,725,903	21,349,401	23,567,973	25,012,163	26,001,156	29,407,263	30,657,698	32,474,743
Civic Center	1,837,763	1,604,352	3,113,264	3,371,553	3,370,802	2,873,966	2,869,010	2,894,913	2,680,076	3,463,813
Building Department	983,102	1,125,312	1,039,405	1,078,258	1,169,788	977,050	875,481	899,397	1,000,381	967,667
Parking	768,503	763,581	799,350	861,307	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868
Solid Waste	3,964,487	3,764,229	4,177,897	4,187,821	4,343,120	4,759,530	4,745,547	4,830,342	5,081,991	5,399,044
Golf Course	1,689,984	1,546,244	1,565,649	1,512,150	1,493,519	1,557,951	1,479,415	1,392,999	1,669,372	1,530,402
Operating grants and contributions	1,165,243	1,282,780	0	0	0	0	0	0	0	0
Capital grants and contributions	118,953	1,479,581	1,413,861	1,253,332	1,209,380	4,038,412	1,889,165	4,291,731	2,010,253	697,916
Total business-type activities program revenues	37,815,019	38,527,235	45,593,148	48,950,713	51,085,304	54,440,880	53,102,000	58,868,315	59,429,986	60,604,915
Total primary government program revenues	68,203,157	67,714,897	89,402,049	81,982,977	81,238,965	84,729,620	101,229,612	104,141,652	99,802,736	97,097,108
Net (Expense)/Revenue										
Governmental activities	(103,402,937)	(106,183,721)	(81,123,122)	(102,007,599)	(73,959,701)	(103,726,403)	(106,774,484)	45,273,337	(106,108,937)	(116,525,624)
Business-type activities	(5,433,178)	(2,080,770)	2,326,298	170,585	(538,594)	8,954,365	6,778,527	58,868,315	10,870,894	5,655,632
Total primary government net expense	(108,836,115)	(108,264,491)	(78,796,824)	(101,837,014)	(74,498,295)	(94,772,038)	(99,995,957)	104,141,652	(95,238,043)	(110,869,992)

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City of South Bend, Indiana
Changes in Net Position, Last Ten Fiscal Years (continued)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$62,279,784	\$72,743,697	\$68,256,602	\$77,120,683	\$76,109,499	\$73,882,128	\$77,315,641	\$76,445,349	\$71,775,415	\$72,018,650
County Option Income Tax	7,001,198	5,695,618	6,410,405	8,072,623	5,813,846	10,270,179	11,502,052	13,219,723	13,748,824	13,739,325
Economic Development Income Tax	3,448,688	3,464,152	4,013,475	4,681,134	3,788,754	4,536,245	7,335,113	8,044,773	8,324,878	8,177,352
Professional Sports Development Tax	378,099	385,553	336,281	435,791	453,268	522,788	597,406	558,268	633,904	649,996
Community Revitalization District Tax	655,269	965,052	1,000,000	1,000,000	955,315	605,623	416,149	733,100	653,185	244,623
Unrestricted grants and contributions	5,133,838	5,160,298	5,063,541	4,032,300	5,664,011	7,597,883	4,883,081	3,964,336	3,891,810	5,893,924
Unrestricted Investment earnings	1,660,720	3,543,469	4,762,484	6,247,113	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270
Other	598,600	10,790,170	3,520,138	5,016,902	2,007,821	2,781,368	2,627,341	3,483,054	6,623,313	14,285,314
Transfers	14,873	33,589	44,200	3,735	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187
Total governmental activities	81,171,069	102,781,598	93,407,126	106,610,281	99,788,894	100,409,357	104,895,983	110,540,547	110,848,493	120,296,641
Business-type activities:										
Unrestricted Investment earnings	362,676	745,966	906,056	1,301,348	1,514,287	271,360	146,826	206,409	285,572	138,362
Other	0	1,990,515	0	0	0	0	0	0	0	0
Transfers	(14,873)	(33,589)	(44,200)	(3,735)	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)
Total business-type activities	347,803	2,702,892	861,856	1,297,613	1,479,317	917,352	795,649	(2,834,767)	(3,594,149)	(4,386,825)
Total primary government	81,518,872	105,484,490	94,268,982	107,907,894	101,268,211	101,326,709	105,691,632	107,705,780	107,254,344	115,909,816
Special Item (Governmental activities):										
Well field contamination settlement	0	0	0	0	4,462,214	0	0	0	0	0
Change in Net Position										
Governmental activities	(25,012,652)	21,658,476	(8,600,473)	32,650,580	524,705	(6,365,127)	150,169,320	911,788	4,739,556	3,771,016
Business-type activities	(1,732,967)	5,029,190	1,032,441	759,019	10,433,682	7,695,879	59,663,964	9,710,075	7,276,745	1,268,807
Total primary government	(\$26,745,619)	\$26,687,666	(\$7,568,032)	\$33,409,599	\$10,958,387	\$1,330,752	\$209,833,284	\$10,621,863	\$12,016,301	\$5,039,823

Excludes prior period adjustments

Source : City of South Bend Comprehensive Annual Financial Reports

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>
General fund										
Reserved	2,365,669	10,581,739	4,162,853	2,213,970	3,245,271	1,516,159	1,824,454	-	-	-
Unreserved	19,656,024	18,162,455	21,688,442	21,546,783	24,171,313	23,102,296	26,912,688	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,115,025	958,341	656,848
Restricted	-	-	-	-	-	-	-	327,267	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	255,287	165,389	516,506
Unassigned	-	-	-	-	-	-	-	26,233,637	27,671,353	26,495,559
Total - General Fund	22,021,693	28,744,194	25,851,295	23,760,753	27,416,584	24,618,455	28,737,142	27,931,216	28,795,083	27,668,913
Other Governmental Funds										
Reserved	39,224,425	38,498,351	34,251,520	36,374,517	60,213,915	56,819,802	62,230,229	-	-	-
Unreserved, reported in:										
Special revenue funds	10,159,432	14,134,371	19,348,846	25,703,180	32,054,329	36,398,024	31,996,398	-	-	-
Capital projects funds	43,815,737	40,624,644	60,447,079	66,593,906	87,571,056	78,214,132	85,237,947	-	-	-
Debt service funds	-	-	(7,828)	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	37,036,839	38,857,510	22,828,476
Restricted	-	-	-	-	-	-	-	44,754,037	78,326,567	95,387,879
Committed	-	-	-	-	-	-	-	11,829,074	11,142,045	20,697,026
Assigned	-	-	-	-	-	-	-	77,460,284	35,180,652	35,455,190
Unassigned	-	-	-	-	-	-	-	(2,777,374)	(4,219,066)	(4,852,169)
Total - Other Governmental Funds	93,199,594	93,257,366	114,039,617	128,671,603	179,839,300	171,431,958	179,464,574	168,302,860	159,287,708	169,516,402
Grand Total - Governmental Funds	115,221,287	122,001,560	139,890,912	152,432,356	207,255,884	196,050,413	208,201,716	196,234,076	188,082,791	197,185,315

(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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	75,289,946	78,650,044	84,049,414	88,695,023	96,930,953	89,139,585	101,785,765	99,001,213	95,136,206	94,829,947
Licenses, fees and permits	223,006	246,780	186,470	173,604	177,329	206,594	192,397	190,943	189,714	177,019
Fines and forfeits	302,376	245,680	444,861	437,732	412,707	423,981	409,775	636,749	334,767	660,841
Charges for services	15,187,711	15,293,779	16,931,744	15,832,139	17,030,160	16,678,584	16,585,634	13,990,267	12,442,553	12,320,498
Intergovernmental	17,968,454	18,665,828	31,275,541	21,400,166	18,196,118	20,577,464	35,822,886	34,419,714	31,297,526	29,227,759
Investment earnings	1,668,050	3,543,469	4,762,484	6,248,605	4,962,768	859,135	868,023	1,050,768	1,317,443	762,270
Other revenues	2,732,127	10,791,555	3,414,731	5,039,373	2,007,821	3,046,791	2,677,796	3,587,518	6,660,875	13,174,140
Total revenues	113,371,670	127,437,135	141,065,245	137,826,642	139,717,856	130,932,134	158,342,276	152,877,172	147,379,084	151,152,474
Expenditures										
General government	6,814,675	7,828,275	11,244,734	9,611,354	6,902,426	5,969,141	5,214,424	6,680,855	6,390,585	7,154,965
Public Safety	44,371,673	49,010,645	51,050,640	53,203,005	50,413,055	48,790,068	62,586,177	69,612,754	67,138,414	64,041,549
Highways and Streets	12,638,026	9,874,281	13,583,761	13,257,781	13,369,611	11,716,810	10,702,555	5,079,041	9,288,682	9,769,942
Health and Welfare	75,000	75,000	75,000	75,000	75,000	0	0	0	0	0
Culture and Recreation	14,347,497	14,226,463	13,849,622	13,469,798	14,542,481	12,733,094	12,841,596	13,816,699	18,557,986	13,956,025
Economic Development	13,208,131	7,531,650	9,752,254	7,710,242	9,726,718	8,938,134	17,408,376	9,698,611	3,543,180	8,068,458
Capital Outlay	30,722,396	29,299,053	16,391,192	17,293,302	26,695,208	37,485,105	21,952,522	46,691,030	39,984,127	30,748,663
Debt Service										
Interest and Fiscal Charges	5,287,658	5,793,386	6,144,611	5,718,572	7,258,201	8,053,995	7,499,683	7,186,494	6,734,305	6,113,043
Principal	5,597,717	7,074,887	7,435,722	7,870,166	9,040,095	9,276,363	12,552,681	13,632,195	10,822,721	13,008,105
Total expenditures	133,062,773	130,713,640	129,527,536	128,209,220	138,022,795	142,962,710	150,758,014	172,397,679	162,460,000	152,860,750
Excess of revenues over (under) expenditures	(19,691,103)	(3,276,505)	11,537,709	9,617,422	1,695,061	(12,030,576)	7,584,262	(19,520,507)	(15,080,916)	(1,708,276)
Other Financing Sources (Uses)										
Proceeds from debt issuance	613,767	10,023,189	14,050,557	2,920,287	45,622,808	1,771,318	5,280,314	3,478,239	5,660,897	7,801,455
Premium (discount) on debt issuance	0	0	0	0	1,626,186	80,950	146,030	26,877	1,236,364	21,576
Proceeds from refunding	0	0	0	0	0	7,210,000	5,327,775	38,307,431	13,595,000	3,990,000
Payments to refunded bond escrow agent	0	0	(8,371,711)	0	0	(7,591,171)	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)
Transfers in	6,571,247	8,332,742	8,928,540	7,872,575	10,574,625	8,687,172	16,314,577	22,483,564	25,368,413	26,365,239
Transfers out	(6,556,374)	(8,299,153)	(8,884,340)	(7,868,840)	(10,539,655)	(9,333,164)	(16,963,400)	(19,442,388)	(21,488,692)	(21,840,052)
Other	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	628,640	10,056,778	5,723,046	2,924,022	47,283,964	825,105	4,567,041	7,552,867	9,758,835	11,961,449
Special Item:										
Well field contamination settlement	0	0	0	0	0	4,462,214	0	0	0	0
Net change in fund balances	(19,062,463)	6,780,273	17,260,755	12,541,444	48,979,025	(6,743,257)	12,151,303	(11,967,640)	(5,322,081)	10,253,173
Debt service as a percentage of noncapital expenditures (1)	9.8%	11.1%	10.8%	11.4%	12.1%	17.6%	15.4%	13.8%	12.9%	13.4%
Excludes prior period adjustments										

(1) Formula = Deb service payments (principal and interest) / (Total Governmental Fund expenditures - Governmental Fund capital outlay per reconciliation)

Source: City of South Bend Comprehensive Annual Financial Reports

REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the City of South Bend's ability to generate and maintain revenue.

**CITY OF SOUTH BEND, INDIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Tax Year/ Collection Year	Per DLGF Current Tax Levy	Estimated Circuit Breaker Levy Reduction	Adjusted Current Tax Levy (County Abstract)	Current Tax Collections	Current Tax Collections as a Percent of Adjusted Tax Levy	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as a Percent of Adjusted Tax Levy	(1) Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Adjusted Tax Levy
2003/2004	\$ 59,875,358	\$ -	\$ 59,875,358	\$ 56,031,449	93.58 %	\$ 2,914,419	\$ 58,945,868	98.45 %	\$ 6,189,942	10.34 %
2004/2005	60,833,109	-	60,833,109	56,114,865	92.24	2,335,278	58,450,143	96.08	8,093,237	13.30
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	47,728,794	102.00	5,111,380	52,840,174	112.93	9,550,891	20.41
2012/2013	72,696,497	27,863,156	44,833,341	43,943,006	98.01	9,790,520	53,733,526	119.85	11,146,473	24.86

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.

City of South Bend, Indiana
 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)						Total Overlapping	Grand Total
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)			
2003/2004	1.6871	0.2859	0.0532	0.0477	0.0376	2.1115	0.7652	1.6201	0.0923	0.1830	0.2209	2.8815	4.9930	
2004/2005	1.6845	0.2902	0.0540	0.0485	0.0376	2.1148	0.7831	1.5969	0.0276	0.1854	0.1828	2.7758	4.8906	
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	0.0000	0.0000	0.0342	2.7279	0.5866	1.0728	0.0406	0.2657	0.1835	2.1492	4.8771	
2010/2011	2.4381	0.4818	0.0000	0.0000	0.0342	2.9541	0.5424	1.2211	0.0438	0.3027	0.1958	2.3058	5.2599	
2011/2012	2.4954	0.4957	0.0000	0.0000	0.0328	3.0239	0.6212	1.1931	0.0464	0.2941	0.1817	2.3365	5.3604	
2012/2013	2.5678	0.5102	0.0000	0.0000	0.0328	3.1108	0.6731	1.3493	0.0453	0.3227	0.1971	2.5875	5.6983	

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, INDIANA
 DETAIL OF NET ASSESSED VALUATION
 (Assessment For the Year 2012 Payable in 2013)**

	<u>South Bend Centre Twp</u>	<u>South Bend Clay Twp</u>	<u>South Bend German Twp</u>	<u>South Bend Penn Twp</u>	<u>South Bend Warren Twp</u>	<u>South Bend Portage Twp</u>	<u>Totals</u>	<u>Percent</u>
Value of land	\$112,649,600	\$24,480,200	\$69,431,600	\$16,784,300	\$2,174,300	\$392,663,300	\$618,183,300	
Value of improvements	477,640,200	122,403,400	434,165,900	91,189,100	26,117,900	2,683,188,170	3,834,704,670	
Total value of real estate	590,289,800	146,883,600	503,597,500	107,973,400	28,292,200	3,075,851,470	4,452,887,970	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(234,399,434)	(34,719,574)	(81,887,303)	(27,092,434)	0	(1,017,117,465)	(1,395,216,210)	
Tax-exempt property	(41,023,590)	(7,986,942)	(32,058,380)	(9,400,300)	0	(298,961,578)	(389,430,790)	
Investment Deduction	0	0	0	0	0	(1,918,700)	(1,918,700)	
Tax increment financing	(94,770,861)	(8,513,401)	(257,726,946)	0	(25,818,670)	(363,550,241)	(750,380,119)	
Tax abatements	(6,835,963)	(203,588)	(18,839,488)	(3,007,895)	(2,473,530)	(26,368,506)	(57,728,970)	
Net value of real estate	213,259,952	95,460,095	113,085,383	68,472,771	0	1,367,934,980	1,858,213,181	78.37%
Gross personal property assessments	26,717,540	7,923,880	155,011,460	2,064,030	6,455,040	339,328,540	537,500,490	
Less: Tax abatements	0	0	(6,092,993)	0	0	(8,864,874)	(14,957,867)	
Tax-exempt property	(1,574,950)	(201,740)	(2,987,960)	(929,160)	0	(93,837,377)	(99,531,187)	
Investment deduction	0	0	0	0	0	0	0	
Tax increment financing	0	0	0	0	0	(10,969,370)	(10,969,370)	
Net value of personal property	25,142,590	7,722,140	145,930,507	1,134,870	6,455,040	225,656,919	412,042,066	17.38%
Net value of utilities	10,996,270	4,668,400	9,919,770	1,210,340	470,610	73,567,060	100,832,450	4.25%
Total net assessed valuation	249,398,812	107,850,635	268,935,660	70,817,981	6,925,650	1,667,158,959	2,371,087,697	100.00%
Percentage of Total	10.52%	4.55%	11.34%	2.99%	0.29%	70.31%	100.00%	

Summary

	<u>Real Property</u>	<u>Personal Property/ Utilities</u>	<u>Total</u>	<u>Percent</u>
Total value	4,452,887,970	638,332,940	5,091,220,910	100.00%
Deductions & exemptions	(1,397,134,910)	0	(1,397,134,910)	-27.44%
Tax exempt property	(389,430,790)	(99,531,187)	(488,961,977)	-9.60%
Tax increment financing	(750,380,119)	(10,969,370)	(761,349,489)	-14.95%
Tax abatements	(57,728,970)	(14,957,867)	(72,686,837)	-1.43%
Total net assessed valuation	1,858,213,181	512,874,516	2,371,087,697	46.57%
Percent	78.37%	21.63%	100.00%	

Source: St. Joseph County Auditor's Office - Information from the County Abstract prepared by the Indiana Department of Local Government Finance.

City of South Bend, Indiana
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values				Less: Non-Taxed Property (1)	Total Net Taxable Value	(2) City Tax Rate	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value				
2002/2003	3,849,091,300	816,672,723	74,065,200	4,739,829,223	1,771,726,609	2,968,102,614	1.9606	62.62%
2003/2004	3,731,377,160	659,263,940	103,129,310	4,493,770,410	1,685,920,064	2,807,850,346	2.1115	62.48%
2004/2005	3,764,507,180	689,419,365	105,604,270	4,559,530,815	1,740,625,997	2,818,904,818	2.1148	61.82%
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%

(1) Non-taxed property includes adjustments for deductions & 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, INDIANA
NET ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

<u>Tax Year/ Collection Year</u>	<u>Real Net Assessed Value</u>	<u>Personal Net Assessed Value</u>	<u>Utilities Net Assessed Value</u>	<u>Total Net Assessed Value</u>	<u>Percent Change</u>
2003/2004	2,215,693,906	489,027,130	103,129,310	2,807,850,346	-5.40%
2004/2005	2,179,070,901	534,229,647	105,604,270	2,818,904,818	0.39%
2005/2006	2,200,118,689	536,981,781	98,165,420	2,835,265,890	0.58%
2006/2007	2,520,098,365	411,815,002	90,443,780	3,022,357,147	6.60%
2007/2008	2,493,481,003	389,863,705	92,736,090	2,976,080,798	-1.53%
2008/2009	2,137,129,242	435,866,407	95,891,770	2,668,887,419	-10.32%
2009/2010	1,911,818,036	443,253,787	98,433,750	2,453,505,573	-8.07%
2010/2011	1,809,523,734	413,918,368	101,009,760	2,324,451,862	-5.26%
2011/2012	1,858,836,588	426,872,370	95,165,650	2,380,874,608	2.43%
2012/2013	1,858,213,181	412,042,066	100,832,450	2,371,087,697	-0.41%

Source: St. Joseph County Auditor's office

City of South Bend, Indiana
Property Tax Collections - Cash Basis
2004-2013

Fund Name	Fund Number	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual
General Fund	101	\$44,149,333	\$44,999,550	\$48,768,150	\$48,720,726	\$14,574,480	\$79,162,937	\$38,780,847	\$38,514,550	\$39,368,431	\$36,251,397
Parks & Recreation	201	7,479,711	7,754,973	8,363,955	8,271,741	2,461,101	13,919,096	7,591,932	7,613,760	7,824,056	7,207,060
Redevelopment Bonds Studebaker Corridor	310	609,732	565,420	0	11,590	0	0	0	0	0	0
College Football Hall of Fame Debt Service	313	1,300,588	1,246,067	899,472	1,127,140	360,682	2,362,057	1,488,453	1,549,954	1,133,205	1,268,179
Airport TIF District (1)	324	5,588,045	6,246,028	7,515,744	8,851,077	33,400	10,808,912	21,508,430	11,187,768	11,631,287	13,340,354
Cumulative Capital Development	406	984,945	1,004,779	1,054,963	989,824	291,600	1,420,833	587,063	540,454	517,710	463,331
Sample-Ewing TIF District (1)	414	533,304	525,671	732,356	778,093	0	0	0	0	0	0
South Bend Central Development Area TIF	420	2,606,365	2,359,430	3,283,075	3,276,169	12,696	3,870,188	7,336,117	3,633,473	3,671,478	2,590,808
West Washington Street TIF District	422	216,948	193,911	255,510	287,095	1,785	358,844	860,049	431,085	422,715	493,608
Central Medical Service Area TIF District	426	337,721	329,269	333,585	928,113	2,793	919,174	3,524,962	1,704,238	1,606,915	1,221,676
Northeast TIF District	429	0	0	0	13,468	0	22,191	195,400	715,063	1,351,048	841,627
Southside Development Area TIF District	430	0	25,351	28,565	457,985	1,756	355,596	4,094,135	1,808,952	2,466,203	2,404,416
Erskine Commons TIF District (5)	431	0	548	2,585	2,891	10	1,240,184	5,978,592	784,373	0	0
Erskine Village TIF District	432	0	109,248	305,399	775,622	2,713	1,531,403	3,759,287	1,603,182	0	1,311,129
Douglas Road TIF District	435	0	0	0	13,941	0	125,294	460,760	306,053	285,713	323,939
Northeast Residential TIF	436	0	0	0	0	0	0	1,815,829	2,446,103	2,514,048	2,262,765
Airport Urban Enterprise	454	0	0	0	0	0	0	301,430	123,165	111,721	0
Fire Department Employees Pension (4)	701	1,293,471	1,443,033	1,554,387	1,536,839	462,375	1,437,539	(5,867)	0	0	0
Police Department Employees Pension (4)	702	1,128,733	1,296,055	1,397,265	1,380,555	425,760	1,609,905	(9,479)	0	0	0
Total		<u>\$66,228,896</u>	<u>\$68,099,332</u>	<u>\$74,495,010</u>	<u>\$77,422,867</u>	<u>\$18,631,150</u>	<u>\$119,144,153</u>	<u>\$98,267,940</u>	<u>\$72,962,173</u>	<u>\$72,904,530</u>	<u>\$69,980,289</u>

Source - City Accounting System

- (1) Fund 414 closed out during 2008 into Fund 324.
- (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, Indiana
Principal Property Taxpayers - Current and Nine Years Ago
DECEMBER 31, 2013 (\$'s whole)

Taxpayer	Type of Business	2013			2004		
		Net Assessed Value	Rank	Percent of Total	Net Assessed Value	Rank	Percent of Total
Memorial Hospital	Healthcare	\$ 54,796,356	1	2.34 %			
Honeywell International, Inc.	Airplane and Auto Parts	48,305,825	2	2.07	\$ 10,815,100	4	0.39 %
Edward Rose of Indiana	Apartments and Real Estate	44,136,800	3	1.89	57,511,000	1	2.05
Indiana Michigan Power Company	Utility	41,768,792	4	1.79			
The Tire Rack	Automotive Parts	31,986,100	5	1.37			
Indiana Bell	Utility	28,611,100	6	1.22			
Federal-Mogul Powertrain Systems	Automotive Parts	22,782,730	7	0.97			
Comcast	Communications	21,630,010	8	0.93			
KSK Scottsdale Mall	Commercial Real Estate	21,545,600	9	0.92			
NIPSCO	Utility	19,816,040	10	0.85			
Home Properties Maple Lane II LLC	Apartments and Real Estate				57,087,800	2	2.03
Dwellco II Limited Partnership	Apartments and Real Estate				12,784,600	3	0.46
Meijer Stores Limited Partnership	Department Store				9,329,400	5	0.33
Wal Mart Real Estate Business Trust	Department Store				9,189,400	6	0.33
Erskine Plaza LLC	Real Estate				8,084,800	7	0.29
Bonta Dayne	Real Estate				8,039,200	8	0.29
Can-American South Bend Limited	Apartments and Real Estate				7,945,800	9	0.28
Beacon Heights	Real Estate				7,043,600	10	0.25
Total Net Assessed Value - Ten Largest Taxpayers		\$ 335,379,353		14.35 %	\$ 187,830,700		6.70 %
Total Net Assessed Value		\$ 2,336,906,810		100.00 %	\$ 2,807,850,346		100.00 %

Source:

St. Joseph County Auditor
2013 Budget Order
2004 Comprehensive Annual Financial Report

**CITY OF SOUTH BEND, INDIANA
LOCAL OPTION INCOME TAX REVENUE
LAST TEN YEARS**

COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT) REVENUE

Distribution Year	EDIT (1) Tax Rate	Total Est County EDIT Collections	Rate of Growth	South Bend EDIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2004	0.20%	9,106,517	-2.90%	3,448,688	-6.52%	37.87%	3,448,688
2005	0.20%	8,984,150	-1.34%	3,464,152	0.45%	38.56%	3,464,152
2006	0.20%	10,610,460	18.10%	4,013,475	15.86%	37.83%	4,013,475
2007	0.20%	10,558,004	-0.49%	3,702,467	-7.75%	35.07%	3,702,467
2008	0.20%	11,136,493	5.48%	3,997,997	7.98%	35.90%	3,997,997
2009	0.20%	11,938,605	7.20%	4,612,694	15.38%	38.64%	3,843,912
2010 (2)	0.40%	22,789,919	90.89%	8,321,633	80.41%	36.51%	9,090,415
2011	0.40%	18,826,685	-17.39%	7,300,866	-12.27%	38.78%	7,300,866
2012 (3)	0.40%	20,611,415	-9.56%	8,324,626	0.04%	40.39%	9,068,785
2013	0.40%	20,611,415	9.48%	8,177,352	12.01%	39.67%	8,177,352
Total		\$154,552,358		\$59,053,152		38.21%	\$59,797,311

(1) This tax was first enacted as of July 1, 1995 at the rate of 0.1% of City residents' adjusted gross income. The rate was increased to 0.2% effective July 1, 1997.

(2) The CEDIT tax rate for 2010 and subsequent years was increased by City of South Bend Common Council and the Saint Joseph County Common Council.

(3) 2012 actual CEDIT payments includes \$744,159 underpaid in 2011 due to a State of Indiana accounting error

**Source - State of Department of Local Government Finance CEDIT Distribution Reports
Actual City Collections During Year per City Accounting System**

**CITY OF SOUTH BEND, INDIANA
LOCAL OPTION INCOME TAX REVENUE
LAST TEN YEARS (continued)**

COUNTY OPTION INCOME TAX (COIT) REVENUE

Distribution Year	COIT Tax Rate (1)	Total County COIT Distributions	Rate of Growth	South Bend COIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2004	0.60%	21,977,497	13.37%	7,089,689	7.80%	32.26%	7,001,198
2005	0.60%	16,628,131	-24.34%	5,490,218	-22.56%	33.02%	5,695,618
2006	0.60%	21,276,623	27.96%	6,950,396	26.60%	32.67%	6,410,405
2007	0.60%	16,993,346	-20.13%	5,160,903	-25.75%	30.37%	5,816,766
2008	0.60%	20,689,958	21.75%	6,382,478	23.67%	30.85%	6,192,452
2009	0.60%	26,973,887	30.37%	8,952,424	40.27%	33.19%	8,302,694
2010	0.60%	25,147,806	-6.77%	7,855,776	-12.25%	31.24%	7,648,824
2011	0.60%	19,907,430	-20.84%	6,458,586	-17.79%	32.44%	7,097,462
2012 (2)	0.60%	22,536,457	-10.38%	7,696,766	-2.02%	34.15%	8,610,742
2013	0.60%	22,923,958	15.15%	7,846,939	21.50%	34.23%	7,846,939
Total		\$234,441,240		\$76,461,160		32.61%	\$78,638,402

(1) This tax was first enacted as of July 1, 1997 at the rate of 0.2% of City residents' adjusted gross income. The COIT rate increased 0.1% each year until it reached 0.6% as of July 1, 2001. The above collections/distribution amounts are net of the additional homestead credits that accompanied the passage of this income tax.

(2) 2012 actual COIT collections includes \$918,751 underpaid in 2011 due to a State of Indiana accounting error.

**Source - State of Indiana Department of Local Government Finance COIT Distribution Reports
Actual City Collections During Year per City Accounting System**

**CITY OF SOUTH BEND, INDIANA
LOCAL OPTION INCOME TAX REVENUE
LAST TEN YEARS (continued)**

PUBLIC SAFETY LOCAL OPTION INCOME TAX REVENUE

Distribution Year		PS LOIT Tax Rate	Total County LOIT Distributions	Rate of Growth	South Bend LOIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2010	(1)	0.25%	13,846,267	100.00%	6,078,454	100.00%	43.90%	6,078,454
2011		0.25%	11,371,882	-17.87%	5,293,619	-12.91%	46.55%	5,293,619
2012	(2)	0.25%	12,457,864	-10.03%	6,056,334	-0.36%	48.61%	6,605,601
2013		0.25%	12,457,864	0.00%	5,892,356	-2.71%	47.30%	5,892,386
Total			\$50,133,877		\$23,320,763		46.52%	\$23,870,060

(1) This tax was effective in October 2009 at the rate of 0.25% of City residents' adjusted gross income. The measure is being used to support the Public Safety operations consisting of the Police Department and the Fire Department, to keep the staffing levels at their full complement.

(2) 2012 actual Public Safety LOIT collections includes \$549,267 underpaid in 2011 due to a State of Indiana accounting error.

**Source - State of Indiana Department of Local Government Finance LOIT Public Safety Distribution Reports
Actual City Collections During Year per City Accounting System**

CITY OF SOUTH BEND, INDIANA
TOTAL COUNTY OPTION INCOME TAX DISTRIBUTIONS BY TAXING UNIT
LAST TEN YEARS
2004-2013

Unit of Government	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total County Certified Distribution	26,536,784	26,484,316	31,044,322	30,859,812	32,574,042	34,801,729	33,231,041	27,292,516	29,898,874	29,898,874
Less: Homestead Credit (1)	(4,559,287)	(9,856,185)	(9,767,699)	(13,866,466)	(11,884,084)	(7,827,842)	(8,083,235)	(7,385,086)	(7,362,417)	(6,974,918)
Total Distributive Shares	21,977,497	16,628,131	21,276,623	16,993,346	20,689,958	26,973,887	25,147,806	19,907,430	22,536,457	22,923,956
Distributive Shares/Total County Distribution	82.82%	62.78%	68.54%	55.07%	63.52%	77.51%	75.68%	72.94%	75.38%	76.67%
Amount										
St. Joseph County	8,578,046	6,427,640	8,440,988	7,376,623	8,825,206	10,358,300	9,819,576	7,383,180	7,986,750	8,460,192
Townships	1,002,449	759,050	834,727	648,364	820,241	1,180,913	1,168,352	1,054,827	1,244,481	954,332
City of South Bend - Civil City	6,849,450	5,306,680	6,733,129	5,077,450	6,266,381	8,748,506	7,677,730	6,304,224	7,511,976	7,711,609
City of South Bend - Redevelopment	240,239	183,538	217,267	83,453	116,097	203,918	178,046	154,363	184,790	135,330
Other Cities & Towns	2,658,984	2,028,358	2,616,698	1,982,192	2,367,929	3,592,330	3,462,786	2,667,400	3,077,335	3,137,086
Libraries	1,699,459	1,319,023	1,706,495	1,285,029	1,646,819	2,007,809	2,042,942	1,762,365	1,879,376	1,849,933
Special Districts	948,870	603,842	727,319	540,235	647,285	882,111	798,374	581,071	651,749	675,474
Total	21,977,497	16,628,131	21,276,623	16,993,346	20,689,958	26,973,887	25,147,806	19,907,430	22,536,457	22,923,956
Percentage of Distribution										
St. Joseph County	39.03%	38.66%	39.67%	43.41%	42.65%	38.40%	39.05%	37.09%	35.44%	36.91%
Townships	4.56%	4.56%	3.92%	3.82%	3.96%	4.38%	4.65%	5.30%	5.52%	4.16%
City of South Bend - Civil City	31.17%	31.91%	31.65%	29.88%	30.29%	32.43%	30.53%	31.67%	33.33%	33.64%
City of South Bend - Redevelopment	1.09%	1.10%	1.02%	0.49%	0.56%	0.76%	0.71%	0.78%	0.82%	0.59%
Other Cities & Towns	12.10%	12.20%	12.30%	11.66%	11.44%	13.32%	13.77%	13.40%	13.65%	13.68%
Libraries	7.73%	7.93%	8.02%	7.56%	7.96%	7.44%	8.12%	8.85%	8.34%	8.07%
Special Districts	4.32%	3.63%	3.42%	3.18%	3.13%	3.27%	3.17%	2.92%	2.89%	2.95%
Total	100.00%									

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(1) A portion of the county option income tax is used for property tax relief through homestead credits for residential property owners.

Source - State of Indiana Department of Local Government Finance COIT Distribution Reports

**CITY OF SOUTH BEND, INDIANA
TEN LARGEST WATER CUSTOMERS
DECEMBER 31, 2013**

Name	2013 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
Memorial Health System	\$ 104,657	0.76%	96,836
Allied Signal Aerospace Co.	79,458	0.58%	75,760
Irish Hills Apartments	86,349	0.63%	71,729
Park Jefferson LLC	43,356	0.31%	56,102
Pioneer Metal Finishing	36,832	0.27%	46,795
Castle Point Realty LLC	43,036	0.31%	45,414
Amarak Uniform Services, Inc.	34,279	0.25%	43,154
Federal Mogul South Bend, Inc.	26,459	0.19%	31,998
Steel Warehouse Co LLC	26,042	0.19%	26,575
Countryside Association	21,160	0.15%	24,438
Total of Ten Largest Water Customers	\$ <u>501,628</u>	3.64%	
Total for Operating Revenue for Water Works	\$ <u>13,783,701</u>	100.00%	

*Hundreds of Cubic Feet

**CITY OF SOUTH BEND, INDIANA
TEN LARGEST SEWAGE WORKS CUSTOMERS
DECEMBER 31, 2013**

<u>Name</u>	<u>Total Revenue</u>	<u>Percentage of Total Water Sewer Revenue</u>	<u>Usage CCF*</u>
I/N TEK Plant	\$ 1,994,134	6.25%	812,267
University of Notre Dame	1,149,408	3.60%	520,881
Memorial Health System	376,582	1.18%	96,836
Allied Signal Aerospace Co	311,684	0.98%	71,063
Aramark Uniform Services, Inc.	146,182	0.46%	43,181
Town of New Carlisle	131,572	0.41%	41,929
South Bend Community Schools	127,211	0.40%	20,732
New Energy Company Of Indiana	69,221	0.22%	19,116
Unifrax Corporation	29,401	0.09%	9,268
Sisters of the Holy Cross	39,945	0.13%	6,419
Total of Ten Largest Sewer Customers	\$ <u>4,375,340</u>	13.70%	
Total Operating Revenue for Wastewater	\$ <u>31,926,078</u>	100.00%	

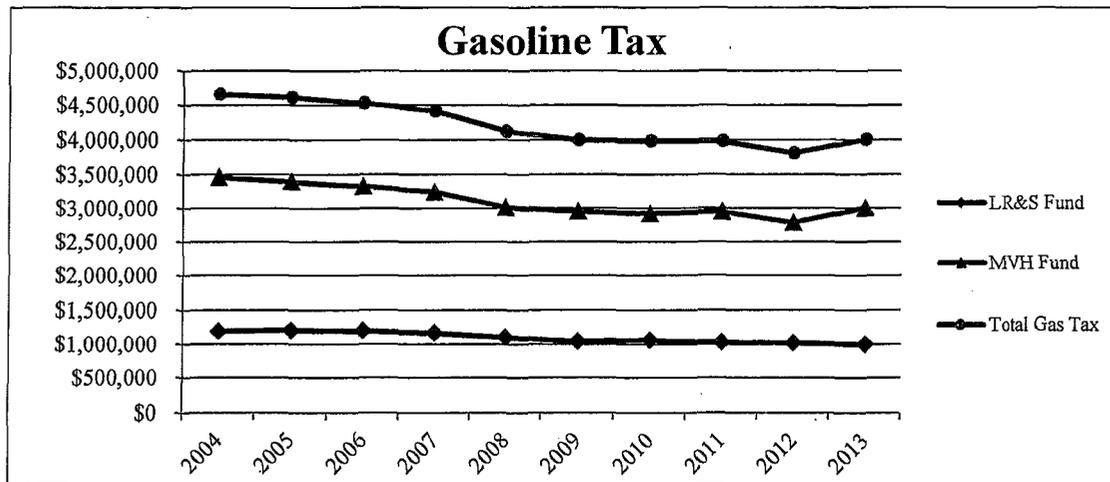
*Hundreds of Cubic Feet

City of South Bend, Indiana
Gasoline Tax Collections - Cash Basis
Last Ten Fiscal Years

<u>Year</u>	<u>LR&S Fund</u>	<u>MVH Fund</u>	<u>Total Gas Tax</u>	<u>% Change</u>
2004	1,192,574	3,461,563	4,654,137	2.96%
2005	1,212,413	3,397,433	4,609,846	-0.95%
2006	1,201,538	3,327,314	4,528,852	-1.76%
2007	1,171,732	3,243,818	4,415,549	-2.50%
2008	1,104,260	3,016,198	4,120,458	-6.68%
2009	1,045,477	2,954,086	3,999,562	-2.93%
2010	1,064,149	2,922,165	3,986,314	-0.33%
2011	1,030,958	2,951,072	3,982,030	-0.11%
2012	1,022,508	2,786,592	3,809,100	-4.34%
2013	1,001,871	3,006,122	4,007,993	5.22%

Distributions of gas tax revenue are made monthly by the Indiana Department of Revenue to the Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) funds for use in construction and maintenance of streets and highways. Distributions are based on a complex formula developed by the state which takes into account population, road and street mileage and other factors. Gas tax revenue was declining in prior years due to the economy and more fuel efficient vehicles. Due to an improvement in the economy, total gas tax increased in 2013.

Source: City Accounting Records



City of South Bend, Indiana
Wheel and Excise Surtax Collections - Cash Basis
Last Ten Years

Year	LR&S Fund	MVH Fund	Total Wheel Tax	% Change
2004	1,953,079	0	1,953,079	100.00%
2005	1,914,530	0	1,914,530	-1.97%
2006	1,849,924	0	1,849,924	-3.37%
2007	1,966,003	0	1,966,003	6.27%
2008	0	2,040,751	2,040,751	3.80%
2009	0	1,893,982	1,893,982	-7.19%
2010	0	1,975,397	1,975,397	4.30%
2011	0	1,863,283	1,863,283	-5.68%
2012	0	1,795,538	1,795,538	-3.64%
2013	0	2,045,213	2,045,213	13.91%

Effective January 1, 2004, St. Joseph County enacted a wheel tax and annual license excise surtax as allowed by State law to provide additional funding for road maintenance and repair. State law allows an annual wheel tax of \$5-40 per vehicle and an annual license excise surtax of 2-10%. St. Joseph County has enacted a \$25 County Excise surtax. The tax applies to all passenger cars, trucks less than 11,000 pounds, buses, tractors and motorcycles registered in the County. (Other rates apply to recreational vehicles, semitrailers and trucks exceeding 11,000 pounds.) The tax is collected by the Indiana Bureau of Motor Vehicles, remitted to the County and distributed monthly to the local units based on population and road

During 2004-2007, the City of South Bend deposited the wheel tax and excise surtax in its Local Road and Street (LR&S) fund. During 2008 and thereafter, the City will deposit the taxes in its Motor Vehicle Highway (MVH) fund, as required by the Indiana State Board of Accounts.

Source: City Accounting Records

City of South Bend, Indiana
Hotel/Motel Tax Revenue - Cash Basis - City Distributions
Last Ten Fiscal Years

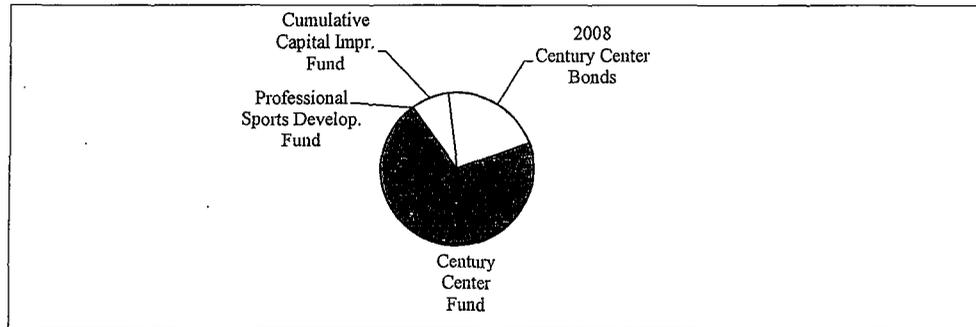
Year	Paid to City of South Bend					Direct Payments				Total Hotel/ Motel Tax	% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Subtotal: Paid to City of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other South Bend Projects			
2004	1,164,493	461,423	150,000	0	1,775,916	365,892	0	46,466	2,188,274	1.73%	
2005	1,235,849	465,177	150,000	0	1,851,026	360,087	0	46,931	2,258,044	3.19%	
2006	1,247,928	473,258	150,000	0	1,871,186	357,135	0	364,150	2,592,471	14.81%	
2007	1,361,263	507,585	150,000	0	2,018,848	354,916	0	136,330	2,510,094	-3.18%	
2008	1,497,390	589,620	150,000	0	2,237,010	356,918	0	694,135	3,288,063	30.99%	
2009	1,347,651	530,137	150,000	0	2,027,788	0	198,500	265,258	2,491,546	-24.22%	
2010	1,313,152	521,800	150,000	399,000	2,383,952	0	0	97,000	2,480,952	-0.43%	
2011	1,313,436	494,325	150,000	400,000	2,357,761	0	0	0	2,357,761	-4.97%	
2012	1,313,436	489,152	150,000	398,000	2,350,588	0	0	0	2,350,588	-0.30%	
2013	1,313,436	0	150,000	398,500	1,861,936	0	0	0	1,861,936	-20.79%	

The hotel/motel tax was enacted in 1973 and the current tax rate is 6%. The tax is accounted for in a fund of the Saint Joseph County government and is administered by the 11 member Saint Joseph County Board of Managers for Hotel-Motel Tax. Appointments to the Board of Managers are made by the mayors of South Bend and Mishawaka and the Saint Joseph County Commissioners.

Proceeds from the hotel/motel tax fund are budgeted and distributed annually to important economic development and tourism projects in the County. South Bend receives distributions for the operations, maintenance and debt service of Century Center (convention center), Professional Sports Development Fund (used primarily for operations of the College Football Hall of Fame), the Cumulative Capital Development Fund (used for repayment of 1994 Century Center Bonds), repayment of a 1992 Century Center bond directly from the fund, repayment of a 2008 Century Center Bond and other capital projects.

The hotel/motel tax fund also supports other activities not included in the City of South Bend's financial statements such as the South Bend/Mishawaka Convention and Visitors Bureau. The total distribution of hotel/motel tax during 2013 to all organizations was \$3,399,758. The cash balance in the County Hotel/Motel Tax Fund was \$1,858,502 at December 31, 2013.

Source: City Accounting Records and Saint Joseph County Auditor's Office



City of South Bend, Indiana
Professional Sports Development (PSDA) Tax - Cash Basis
Last Ten Fiscal Years

Year	Total PSDA Tax	% Change
2004	370,013	9.61%
2005	384,906	4.02%
2006	370,556	-3.73%
2007	387,813	4.66%
2008	396,873	2.34%
2009	617,304	55.54%
2010	640,760	3.80%
2011	409,020	-36.17%
2012	721,763	76.46%
2013	597,111	-17.27%

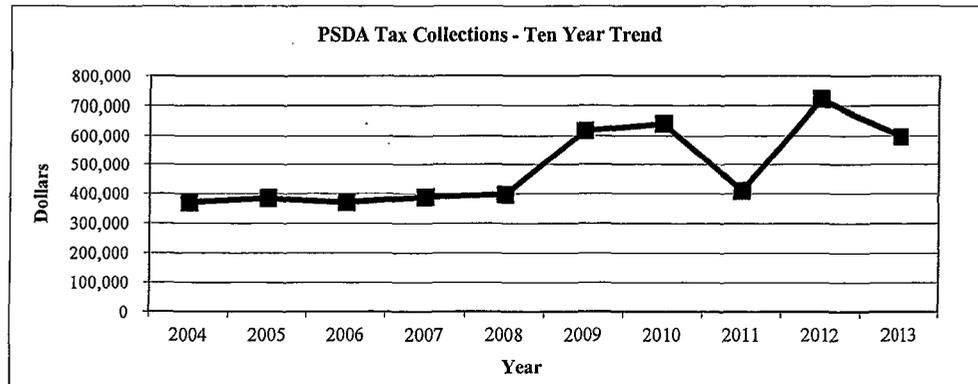
The Professional Sports Development Area (PSDA) tax is a combination of state income tax withholding, local income tax withholding and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski Stadium, Morris Performing Arts Center, Palais Royale Ballroom and Studebaker National Museum. South Bend's PSDA area was formed on November 3, 1997 and expires on December 31, 2027. PSDA capture of state sales and income taxes ends in 2018.

The PSDA taxes are collected by the Indiana Department of Revenue and are remitted on a monthly basis to Saint Joseph County which issues a check to the City of South Bend. There are currently four professional sports development areas in the State--South Bend, Indianapolis/Marion County, Evansville and Ft. Wayne.

PSDA tax revenue increased in 2009 primarily due to the increase in the State of Indiana sales tax rate from 6% to 7% and the increase in local option income taxes from .8% to 1.75% as a consequence of property tax reform. PSDA tax revenue decreased in 2011 due to delays in payments in amounts owed by the State until 2012. PSDA tax revenues in 2013 were due to a delay in payments from the state.

In prior years, PSDA tax revenue has been used to fund the College Football Hall of Fame Capital Fund and the Century Center Capital Account. Beginning in 2011, PSDA tax revenue will continue to fund the Century Center Capital Account and has also been pledged to pay debt service on 2010 Coveleski Stadium Taxable Revenue bonds in the amount of \$4,980,000 issued on December 23, 2010. The bond proceeds were used to make certain capital improvements to the City-owned facility. The operations of the minor league baseball team (South Bend Silverhawks) in the stadium accounts for the majority of PSDA tax revenue earned each year.

Source: City Accounting Records



City of South Bend, Indiana
Cable Television Franchise Fee Collections - Cash Basis
Last Ten Years

Year	Comcast	AT&T	Total Franchise Fees	% Change
2004	629,681	0	629,681	5.76%
2005	636,416	0	636,416	1.07%
2006	790,111	0	790,111	24.15%
2007	692,548	0	692,548	-12.35%
2008	694,387	0	694,387	0.27%
2009	702,048	41,043	743,091	7.01%
2010	817,023	131,263	948,286	27.61%
2011	677,949	176,586	854,535	-9.89%
2012	691,586	192,621	884,207	3.47%
2013	736,071	191,529	927,600	4.91%

Pursuant to State law, the City of South Bend receives video franchise fees in the amount of 5% of gross revenue for cable operations in the City. The payments are made to the City on a quarterly basis. The franchise agreement with Comcast was effective October 19, 1998 and the franchise agreement with AT&T was effective January 1, 2009.

The video franchise fee revenue is deposited in the General Fund and is used for general operating costs. A portion of the proceeds (2013 - \$43,000) are spent on support of the local public access channel.

Under State law, the City is required to submit an Annual Franchise Fee Report (State Form 55122) summarizing franchise fee revenue received during the year and the purpose for which the revenue was expended. The report must be file with the Indiana Utility Regulatory Commission by March 1st of the following year.

Source: City Accounting Records

DEBT CAPACITY

These schedules present information to help the reader to assess the affordability of the City of South Bend's current level of outstanding debt and the ability of the City of South Bend to issue additional debt in the future.

**CITY OF SOUTH BEND, INDIANA
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2013 (\$'s whole)**

Civil City

Net Assessed Valuation (2012 pay 2013) of Taxable Property in South B	\$2,336,906,810
Debt limit: 2% of one third thereof	15,579,379
Less Bonds subject to limitation:	
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 A	(1,455,000)
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 B	(1,360,000)
Redevelopment District Taxable Revenue Bonds, Series 2010	(3,520,000)
Issuance Margin	\$9,244,379
Percentage of Debt to Debt Limit	40.66%

Redevelopment District

Net Assessed Valuation (2012 pay 2013) of Taxable Property in South B	\$2,336,906,810
Debt limit: 2% of one third thereof	15,579,379
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2002	(3,405,000)
Issuance Margin	\$12,174,379
Percentage of Debt to Debt Limit	21.86%

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.

**City of South Bend, Indiana
Legal Debt Margin Information
Last Ten Fiscal Years (\$'s whole)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Civil City</u>										
Debt Limit (1)	\$18,719,002	\$18,792,699	\$18,901,773	\$20,149,048	\$19,840,538	\$17,792,583	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379
Total Net Debt Applicable To Limit	8,937,500	8,395,000	7,367,825	6,685,000	6,105,000	5,500,000	9,850,000	8,910,000	7,650,000	6,335,000
Debt Margin	9,781,502	10,397,699	11,533,948	13,464,048	13,735,538	12,292,583	6,506,704	6,585,323	7,949,467	9,244,379
Percentage of Debt Limit	47.75%	44.67%	38.98%	33.18%	30.77%	30.91%	60.22%	57.50%	49.04%	40.66%
<u>Redevelopment District</u>										
Debt Limit (1)	\$18,719,002	\$18,792,699	\$18,901,773	\$20,149,048	\$19,840,538	\$17,792,583	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379
243 Total Net Debt Applicable To Limit	6,998,000	6,115,000	5,850,000	5,580,000	5,300,000	5,010,000	4,715,000	4,085,000	4,085,001	3,405,000
Debt Margin	11,721,002	12,677,699	13,051,773	14,569,048	14,540,538	12,782,583	11,641,704	11,410,323	11,514,466	12,174,379
Percentage of Debt Limit	37.38%	32.54%	30.95%	27.69%	26.71%	28.16%	28.83%	26.36%	26.19%	21.86%

(1) A 2% of net assessed value debt limit has been established by the Constitution of the State of Indiana for certain type of debt including general obligation bonds, Economic Development Income Tax bonds and tax revenue notes. This limitation does not apply to revenue bonds payable from governmental or proprietary funds.

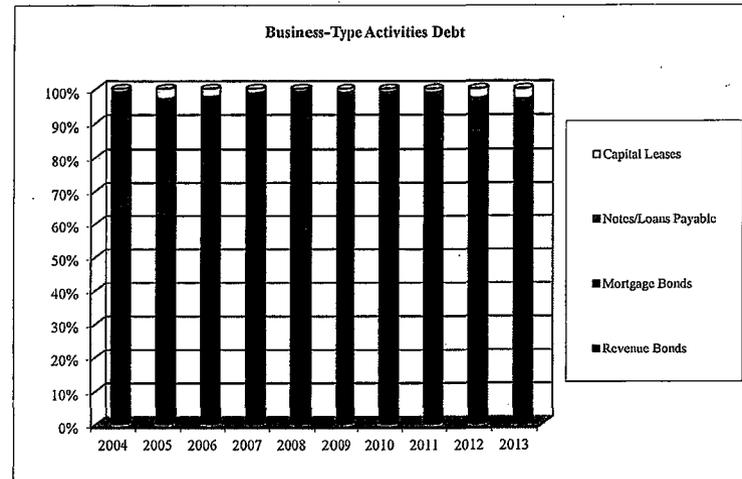
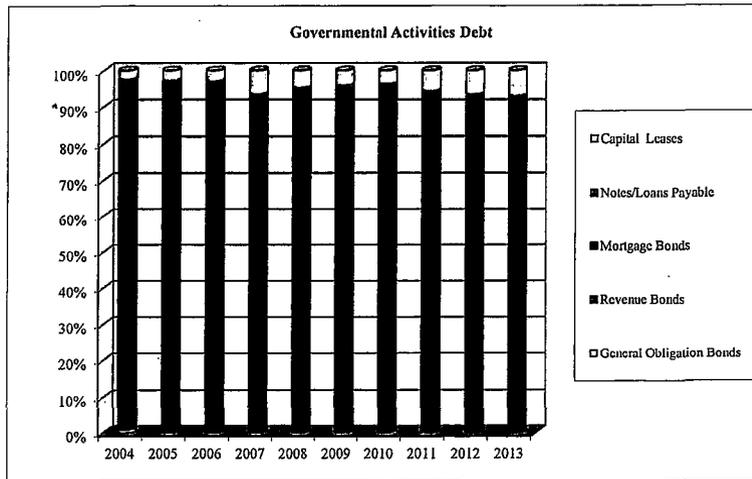
**City of South Bend, Indiana
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

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	Capital Leases					
2004	935,000	82,135,000	29,525,289	7,948,868	2,971,007	39,815,000	1,058,415	21,730,271	520,389	186,639,239	105,206	1,774	3,297,156,040	5.66%
2005	320,000	84,225,000	28,994,057	9,539,771	3,454,627	35,990,000	1,015,980	20,659,864	1,710,033	185,909,332	105,743	1,758	3,418,459,704	5.44%
2006	0	82,445,000	27,337,124	11,758,552	3,533,187	44,345,000	972,315	19,258,433	1,523,594	191,173,205	104,457	1,830	3,450,632,538	5.54%
2007	0	78,570,000	25,957,839	7,900,658	7,695,487	73,145,000	926,805	18,380,491	1,127,394	213,703,674	104,069	2,053	3,511,183,991	6.09%
2008	0	115,240,000	24,534,464	9,543,790	7,388,443	67,535,000	878,835	17,031,649	628,427	242,780,608	104,905	2,314	3,709,126,085	6.55%
2009	0	113,975,000	23,061,148	8,470,308	6,214,206	68,225,000	829,020	16,145,358	893,233	237,813,273	106,192	2,239	3,679,658,992	6.46%
2010	0	111,510,000	21,117,295	6,323,199	5,299,341	72,655,000	717,705	16,755,369	799,402	235,177,311	101,168	2,325	3,505,572,368	6.71%
2011	0	101,472,431	19,724,490	4,431,871	7,510,749	88,655,000	660,510	15,542,372	1,077,642	239,075,065	101,168	2,363	3,371,120,096	7.09%
2012	0	96,410,000	17,883,530	4,953,639	8,336,120	117,650,000	601,470	13,848,901	3,641,362	263,325,022	101,168	2,603	3,371,120,096	7.81%
2013	0	90,172,826	23,079,781	3,030,554	8,777,238	118,118,539	551,602	4,121,010	3,830,728	251,682,278	101,168	2,488	3,371,120,096	7.47%
Percent of Total Debt	0.00%	35.83%	9.17%	1.20%	3.49%	46.93%	0.22%	1.64%	1.52%	100.00%				

Sources: City of South Bend Comprehensive Annual Financial Reports

Population statistics obtained from the U.S. Census Bureau.

City of South Bend estimated personal income is computed as estimated City population x 2012 South Bend Metro Area Per Capita Income (see Demographic Statistics)



CITY OF SOUTH BEND, INDIANA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2013 (\$'s whole)

	<u>Gross Debt</u>	<u>Percentage Applicable to South Bend</u>	<u>Amount Applicable to South Bend</u>	<u>Debt Per Capita</u>	<u>Ratio of Debt/ Net Assessed Value</u>	<u>Ratio of Debt/ Personal Income</u>
<u>Direct Debt:</u>						
City of South Bend						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 89,622,021	100.00 %	\$ 89,622,021			
Mortgage Bonds - Governmental Activities	22,330,000	100.00	22,330,000			
Notes Payable - Governmental Activities	4,505,000	100.00	4,505,000			
Capital Leases - Governmental Activities	8,777,239	100.00	<u>8,777,239</u>			
Total Direct Debt and Lease Obligation Debt			<u>\$ 125,234,260</u>	<u>\$ 1,238</u>	<u>5.28 %</u>	<u>3.24 %</u>
<u>Overlapping Debt (1)(2)</u>						
South Bend Community School Corporation	\$ 168,273,370	56.35 %	\$ 94,822,044			
St. Joseph County Public Library	8,945,000	52.97	4,738,167			
South Bend Regional Airport Authority	12,790,000	30.58	3,911,182			
St. Joseph County	22,025,000	30.58	6,735,245			
Penn-Harris-Madison School Corporation	57,438,994	3.06	1,757,633			
Mishawaka-Penn-Harris Public Library	4,030,000	2.44	<u>98,332</u>			
Total Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 112,062,603</u>	<u>\$ 1,108</u>	<u>4.73 %</u>	<u>2.90 %</u>
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u><u>\$ 237,296,863</u></u>	<u><u>\$ 2,346</u></u>	<u><u>10.01 %</u></u>	<u><u>6.15 %</u></u>
<u>Ratio Factors</u>						
Net Assessed Valuation (2012 payable 2013)	2,371,087,697					
Population - 2010 US Census Bureau	101,168 (3)					
South Bend Metropolitan Area 2012 Per Capita Inco	38,152 (4)					
Estimated South Bend Total Personal Income (3 x 4)	3,859,761,536					

- (1) Overlapping debt information and schedule prepared by Crowe Horwath LLP, Indianapolis, Indiana.
- (2) Overlapping debt percentages are based on the net assessed value of South Bend properties in proportion to the total net assessed value.
- (3) Population statistics obtained from the U.S. Census Bureau (<http://factfinder.census.gov/servlet>).
- (4) South Bend-Mishawaka, IN Metropolitan Area Profile (www.stats.indiana.edu).

CITY OF SOUTH BEND, INDIANA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GOVERNMENTAL FUND EXPENDITURES
LAST TEN YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
2004	590,000	66,260	656,260	133,062,773	0.49%
2005	615,000	39,445	654,445	130,713,640	0.50%
2006	320,000	8,160	328,160	129,527,536	0.25%
2007	0	0	0	128,209,220	0.00%
2008	0	0	0	138,022,795	0.00%
2009	0	0	0	142,962,710	0.00%
2010	0	0	0	150,758,014	0.00%
2011	0	0	0	172,397,679	0.00%
2012	0	0	0	162,460,000	0.00%
2013	0	0	0	152,889,475	0.00%

The City of South Bend has no General Obligation Bonds outstanding. The 1977 Studebaker Corridor bonds were paid off during 2006.

Source - City of South Bend Comprehensive Annual Financial Reports

CITY OF SOUTH BEND, INDIANA
RATIO OF NET GENERAL BONDED DEBT TO NET ASSESSED VALUATION AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS

<u>Tax Year/ Collection Year</u>	<u>Population (1)</u>	<u>Net Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt To Net Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2003/2004	105,206	2,807,850,346	935,000	305,000	630,000	0.02%	5.99
2004/2005	105,743	2,818,940,818	320,000	320,000	0	0.00%	0.00
2005/2006	104,457	2,835,265,890	0	0	0	0.00%	0.00
2006/2007	104,069	3,022,157,147	0	0	0	0.00%	0.00
2007/2008	104,905	2,976,080,798	0	0	0	0.00%	0.00
2008/2009	106,192	2,668,887,419	0	0	0	0.00%	0.00
2009/2010	101,168	2,453,505,573	0	0	0	0.00%	0.00
2010/2011	101,168	2,324,451,862	0	0	0	0.00%	0.00
2011/2012	101,168	2,380,874,608	0	0	0	0.00%	0.00
2012/2013	101,168	2,371,087,697	0	0	0	0.00%	0.00

(1) Population statistics obtained from the U.S. Census Bureau (<http://factfinder.census.gov/servlet>).

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF REVENUE BOND COVERAGE
WATER UTILITY BONDS
LAST TEN YEARS (\$'s whole)

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
2004	\$ 11,323,882	\$7,256,695	\$ 4,067,187	\$1,935,000	\$ 795,540	\$2,730,540	149 %
2005	11,926,479	7,770,464	4,156,015	2,040,000	708,030	2,748,030	151
2006	13,166,166	7,369,035	5,797,131	2,485,622	1,042,309	3,527,931	164
2007	13,748,213	8,296,075	5,452,138	2,764,265	1,015,524	3,779,789	144
2008	13,343,210	8,528,933	4,814,277	2,908,014	888,199	3,796,213	127
2009	13,471,890	8,838,405	4,633,485	2,481,871	754,108	3,235,979	143
2010	13,513,995	8,560,390	4,953,605	2,605,840	937,293	3,543,133	140
2011	14,032,074	9,301,552	4,730,522	2,729,925	823,265	3,553,190	133
2012	14,190,243	9,021,274	5,168,969	821,847	823,944	1,645,791	314
2013	13,783,701	10,665,913	3,117,788	1,241,768	809,673	2,051,441	152

(1) Operating expenses exclude depreciation and payment in lieu of taxes.

Operating revenue used to make debt service payments is obtained primarily through monthly user charges to water customers.

Source - City of South Bend Comprehensive Annual Financial Report and Annual Report (CTAR-2).
2013 Debt service requirements provided by Crowe Horwath LLP.

**CITY OF SOUTH BEND, INDIANA
SCHEDULE OF REVENUE BOND COVERAGE
WASTEWATER UTILITY BONDS
LAST TEN YEARS (\$'s whole)**

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
2004	\$ 14,124,695	\$ 9,337,324	\$ 4,787,371	\$ 705,000	\$ 266,586	\$ 971,586	493 %
2005	14,639,963	11,200,692	3,439,271	1,180,000	577,943	1,757,943	196
2006	18,058,615	9,650,301	8,408,314	2,481,626	1,273,423	3,755,049	224
2007	20,685,490	10,389,691	10,295,799	2,863,218	1,364,272	4,227,490	244
2008	(2) 22,941,734	14,079,734	8,862,000	3,701,524	2,647,324	6,348,848	140
2009	24,313,147	17,504,825	6,808,322	3,130,000	2,557,940	5,687,940	120
2010	25,444,404	12,193,363	13,251,041	3,385,205	2,314,275	5,699,480	232
2011	29,023,547	14,869,660	14,153,887	3,867,584	2,737,027	6,604,611	214
2012	30,963,483	13,777,728	17,185,755	4,736,450	3,489,057	8,225,507	209
2013	31,926,078	8,751,000	23,175,078	5,080,425	3,354,156	8,434,581	275

(1) Operating expenses exclude depreciation and payment in lieu of taxes.

(2) Two large Sewage Works revenue bonds were issued during 2007 with principal and interests payments beginning in 2008.

These bonds are part of the City of South Bend's long term combined sewer overflow (CSO) control plan.

Operating revenue used to make debt service payments is obtained primarily through monthly user charges to sewer customers.

**Source - City of South Bend Comprehensive Annual Financial Report and Annual Report (CTAR-2)
2013 debt service requirements provided by Crowe Horwath LLP.**

City of South Bend, Indiana
SOUTH BEND MUNICIPAL SEWAGE WORKS

Annual Wastewater Flow Data

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capacity (MGD)	48	48	48	48	48	48	48	48
Average Daily Flow	31.67	32.45	37.80	38.42	30.86	35.80	31.77	30.69
Peak Flow	50.70	60.30	75.00	68.80	62.00	72.50	63.70	62.50
Annual Flow (MG)	11,559	11,845	13,835	14,024	11,264	13,068	11,596	11,203

Number of Customers - South Bend Municipal Sewage Works

<u>Total Number of Customers</u>	<u>Year</u>
39,124	2006
37,018	2007
38,282	2008
36,664	2009
38,455	2010
39,027	2011
39,068	2012
39,322	2013

Source: City of South Bend Environmental Services Department

SOUTH BEND MUNICIPAL UTILITIES
South Bend, Indiana (\$'s whole)

Statement of City-Owned Utility Debt

<u>South Bend Municipal Sewage Works</u>	
Sewage Works Revenue Bonds of 2006	\$ 6,090,000
Sewage Works Revenue Bonds of 2007	13,010,000
Sewage Works Revenue Bonds of 2007 B	12,960,000
Sewage Works Revenue Bonds of 2009	2,742,336
Sewage Works Revenue Bonds of 2010	8,270,000
Sewage Works Revenue Bonds of 2011	19,895,000
Sewage Works Revenue Bonds of 2012	23,985,000
Sewage Works Revenue Bonds of 2013 A	13,700,000
Total Sewage Utility Debt	<u>\$ 100,652,336</u>
 <u>South Bend Municipal Waterworks</u>	
Waterworks Revenue Bonds of 2000	
State Revolving Fund (SRF) Loan	\$ 1,018,815
Waterworks Revenue Bonds of 2006	3,505,000
Waterworks Revenue Bonds of 2009, Series A	
State Revolving Fund (SRF) Loan	391,297
Waterworks Revenue Bonds of 2009, Series B	
Indiana Bond Bank	4,985,000
Waterworks Revenue Bonds of 2012	7,960,000
Waterworks Revenue Refunding Bonds of 2012, Series B	3,450,000
Total Water Utility Debt	<u>\$ 21,310,112</u>
 Total Utility Debt	 <u>\$ 121,962,448</u>

Source: City of South Bend Finance Administration and Crowe Horwath LLP

SOUTH BEND MUNICIPAL SEWAGE WORKS

South Bend, Indiana (\$'s whole)

Estimated Debt Service Coverage Calculation

Operating Revenues	\$ 31,926,078
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(8,751,000)</u>
Net Revenues Available for Debt Service	<u>23,175,078</u>
Estimated Combined Annual Debt Service	<u>8,434,581</u>
Coverage - \$	<u><u>\$ 14,740,497</u></u>
Coverage - %	<u><u>275%</u></u>

SOUTH BEND MUNICIPAL WATER UTILITY

South Bend, Indiana (\$'s whole)

Estimated Debt Service Coverage Calculation

Operating Revenues	\$ 13,783,701
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(10,665,913)</u>
Net Revenues Available for Debt Service	<u>3,117,788</u>
Estimated Combined Maximum Annual Debt Service	<u>2,051,441</u>
Coverage - \$	<u><u>\$ 1,066,347</u></u>
Coverage - %	<u><u>152%</u></u>

CITY OF SOUTH BEND BUILDING CORPORATION

Projected City of South Bend COIT Revenues (\$'s whole)

.6% COIT Tax Rate

Levy is used to Distribute COIT

<u>Year of Collection</u>	<u>St. Joseph County Projected Distribution</u>	<u>Projected COIT</u>	<u>Projected COIT Amount Available For Debt Service</u>
2013	\$ 22,923,958	33.64 %	\$ 7,711,609
2014	25,275,541 (1)	33.57	8,483,839 (1)
2015	25,275,541	33.57	8,483,839
2016	25,275,541	33.57	8,483,839
2017	25,275,541	33.57	8,483,839
2018	25,275,541	33.57	8,483,839
2019	25,275,541	33.57	8,483,839
2020	25,275,541	33.57	8,483,839
2021	25,275,541	33.57	8,483,839
2022	25,275,541	33.57	8,483,839
		Total	<u>\$ 84,066,160</u>

(1) Kept constant based on 2014.

Source: Crowe Horwath LLP and Department of Local Government Finance (DLGF)

CITY OF SOUTH BEND BUILDING CORPORATION

Statement of Estimated Cash Flow and Debt Service Coverage (\$'s whole)

Year	Projected City of South Bend COIT Revenues	Redevelopment District Taxable Revenue Bonds, Series 2010	COIT Lease Rental Revenue Refunding Bonds of 2010 Lease Payments	First Mortgage Revenue Refunding Bonds, Series 2012 Lease Payments	Estimated Excess Funds	Estimated Coverage
2014	\$ 8,483,839	\$ 762,646	\$ 676,000	\$ 1,570,000	\$ 5,475,193	2.82
2015	8,483,839	746,318	680,000	1,572,000	5,485,521	2.83
2016	8,483,839	732,604	673,000	1,572,000	5,506,235	2.85
2017	8,483,839	720,905	675,000	1,570,000	5,517,934	2.86
2018	8,483,839	706,650	675,000	1,564,000	5,538,189	2.88
2019	8,483,839	-	673,000	1,562,000	6,248,839	3.80
2020	8,483,839	-	678,000	1,567,000	6,238,839	3.78
2021	8,483,839	-	-	1,567,000	6,916,839	5.41
2022	8,483,839	-	-	1,563,000	6,920,839	5.43
Total	\$ 76,354,551	\$ 3,669,123	\$ 4,730,000	\$ 14,107,000	\$ 53,848,428	3.39

Source: Crowe Horwath LLP

CITY OF SOUTH BEND, INDIANA

Erskine Village Project (\$'s whole)

Estimated Tax Increment Revenues

<u>Tax Year / Collection Year</u>	<u>Estimated Tax Increment (1)</u>	<u>12/13 Net Tax Rate (2)</u>	<u>Estimated Tax Increment Revenue</u>
2012/2013	\$ -	\$ 3.6197	\$ -

- (1) The City passed back incremental assessed value for payable year 2013. The City will make a yearly decision on the passback of incremental assessed value.
- (2) Circuit Breaker rate of \$3.00 and exempt rate of 0.6197

Source: Crowe Horwath LLP

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules present various demographic and economic indicators to help the reader understand the environment within the City of South Bend that affects the City's financial activities.

**CITY OF SOUTH BEND, INDIANA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	City of South Bend Population (1)	Percent Increase/ (Decrease)	South Bend Metropolitan Area Median Family Income (4)	Percent Increase/ (Decrease)	South Bend Metro Area Total Personal Income (3) (Millions)	Percent Increase/ (Decrease)	South Bend Metro Area Per Capita Income (3)	Percent Increase/ (Decrease)	City of South Bend Median Age (4)	City of South Bend Public School Enrollment (2)	Percent Increase/ (Decrease)
2004	105,206	-0.3%	39,940	7.5%	8,295	5.2%	31,340	5.2%	32.7	22,140	0.7%
2005	105,743	0.5%	37,971	-4.9%	8,565	3.3%	32,328	3.2%	34.5	22,100	-0.2%
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	-0.6%
2009	106,192	1.2%	43,403	6.7%	9,466	0.7%	34,651	-2.0%	32.3	20,451	-1.5%
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	0.2%	9,768	5.2%	33,322	-2.8%	33.3	18,982	-5.4%
2013	101,168	0.0%	40,873	0.0%	10,162	4.0%	38,152	14.5%	33.3	19,680	1.1%

Sources:

- (1) U.S. Census Bureau 2010 Census information (<http://factfinder2.census.gov>). No 2013 information available.
- (2) South Bend Community School Corporation Administration office for enrollment on October 1, 2013.
- (3) South Bend-Mishawaka, IN_MI Metropolitan Area Profile (<http://www.stats.indiana.edu>).
- (4) U.S. Census Bureau (<http://factfinder2.census.gov>). No 2013 information available.

**CITY OF SOUTH BEND, INDIANA
DEMOGRAPHIC STATISTICS (CONTINUED)
LAST TEN YEARS**

Year	December South Bend Metropolitan Area Labor Force (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Area Unemployment (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Unemployment Rate (1)
2004	132,981	1.3%	6,669	6.1%	5.0%
2005	134,033	0.8%	6,956	4.3%	5.2%
2006	134,651	0.5%	6,501	-6.5%	4.8%
2007	132,693	-1.5%	6,291	-3.2%	4.7%
2008	133,433	0.6%	12,476	98.3%	9.4%
2009	123,792	-7.2%	13,474	8.0%	10.9%
2010	125,853	-5.7%	12,648	1.4%	10.0%
2011	129,438	4.6%	12,366	-8.2%	9.6%
2012	124,968	0.9%	12,108	-10.1%	9.7%
2013	124,145	-1.4%	9,211	-27.2%	7.4%

Source:

(1) South Bend-Mishawaka, IN_MI Metropolitan Area Profile (<http://www.stats.indiana.edu>).
"Labor Force Overview" employment statistics annual averages.

**CITY OF SOUTH BEND, INDIANA
COMPARISON OF GROWTH RATES IN PERSONAL INCOME FOR ST. JOSEPH COUNTY,
THE STATE OF INDIANA AND U.S. PERSONAL INCOME
LAST TEN YEARS**

Calendar Year	Amount in Millions		Amount in Billions	Annual Percentage Increase		
	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income
2004	8,295	186,210	9,711	5.17%	4.22%	6.13%
2005	8,565	193,348	10,284	3.25%	3.83%	5.90%
2006	8,958	203,502	10,968	4.59%	5.25%	6.65%
2007	8,978	204,877	11,074	0.22%	0.68%	0.97%
2008	9,396	210,447	11,634	4.66%	2.72%	5.06%
2009	9,466	220,670	12,225	0.74%	4.86%	5.08%
2010	9,289	218,527	12,168	-1.87%	-0.97%	-0.47%
2011	9,678	232,586	12,949	4.19%	6.43%	6.42%
2012	10,162	249,198	13,729	5.00%	7.14%	6.02%
2013	10,162	249,198	13,729	0.00%	0.00%	0.00%
Average Annual Growth - Most Recent 5 Years				2.54%	4.04%	4.42%
Average Annual Growth - Most Recent 10 Years				2.60%	3.42%	4.18%

Source

STATS Indiana, a website sponsored by the Indiana Business Research Center at Indiana University's Kelley School of Business. Website address: www.stats.indiana.edu. Accessed May 13, 2014. No 2013 information available.

City of South Bend, Indiana
Principal Employers - Current and Nine Years Ago
DECEMBER 31, 2013 (\$'s whole)

Employer	Type of Business	2013			2004		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
University of Notre Dame	College/University	5,590	3.74 %	1	4,802	3.01 %	1
Beacon Health System	Health Care	3,450	2.31	2	3,470	2.18	3
South Bend Community School Corporation	Public Schools	2,880	1.93	3	3,781	2.37	2
AM General Corporation	Manufacturing/Assembly	2,858	1.91	4			
Trinity Health/Saint Joseph Regional Medical Center	Health Care	2,597	1.74	5			
Martin's Super Markets	Grocery/Retail	1,555	1.04	6			
Meijer, Inc.	Grocery/Retail	1,450	0.97	7	1,205	0.76	8
Indiana University South Bend	College/University	1,445	0.97	8	1,300	0.82	6
Walmart	Retail	1,245	0.83	9			
City of South Bend	Government	1,131	0.75	10	1,298	0.81	7
Saint Joseph Regional Medical Center, Inc.	Health Care				2,851	1.79	4
St. Joseph County	Government				1,750	1.10	5
Madison Center	Health Care				1,180	0.74	9
Honeywell International, Inc.	Airplane and Auto Parts				1,000	0.63	10
Total Number of Employees		24,201	16.19 %		22,637	14.21 %	
Total Employees - South Bend Metropolitan Area Labor Force		149,499	100.00 %		159,315	100.00 %	

Source:

St. Joseph County Chamber of Commerce 2013 Economic Profile
South Bend Community School Corporation Bonds of 2005 Official Statement
Indiana Department of Workforce Development Research and Analysis for 2013 and 2004

OPERATING AND OTHER INFORMATION

These schedules contain information about the City of South Bend's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. Included in this section is other non-required information that the City has determined is relevant and useful to the reader of the financial statements.

**City of South Bend, Indiana
Operating Indicators by Function/Program
Last Ten Fiscal Years**

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Physical arrests	5,041	5,056	5,932	4,589	4,091	3,785	3,077	3,626	3,174	2,959
Parking violations	688	722	515	1,820	1,672	1,479	979	904	1,051	1,019
Traffic violations	14,052	13,411	16,583	1,626	5,901	11,746	14,163	4,236	7,561	2,180
Fire										
Emergency responses	12,907	13,444	14,297	14,822	15,123	14,341	15,578	15,408	15,720	15,865
Fires extinguished	182	220	227	279	264	264	225	251	214	220
Inspections	4,820	5,585	4,875	4,302	4,467	4,205	4,233	3,553	3,325	2,273
Refuse collection										
Refuse collected (tons per day) (1)	266	238	269	267	137	70	120	123	128	122
Other public works										
Street resurfacing (miles)	30.20	29.30	15.00	16.50	14.70	14.50	20.30	18.10	16.90	21.00
Potholes repaired (tonnage)	560.41	372.06	239.88	923.00	898.00	629.22	380.00	332.32	117.21	691.00
Parks and recreation										
Athletic field permits issued	700	750	700	1,000	738	700	381	227	133	93
Fitness Center Admissions	35,426	37,247	61,452	63,088	70,193	74,438	60,118	67,408	61,002	63,671
Water										
New billable housing starts	427	445	471	321	299	194	179	144	160	242
Water mains breaks	78	80	54	105	72	87	76	60	66	80
Average daily consumption (thousands of gallons)	19,461	20,071	17,704	19,042	18,280	16,100	15,955	15,600	16,600	15,300
Wastewater										
Average daily sewage treatment (thousands of gallons)	31,800	31,800	32,800	35,970	37,800	41,200	30,861	35,800	31,770	30,690

Sources: Various city departments

N/A - information not available

(1) 2007 and prior years were in cubic yards

City of South Bend, Indiana
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	25	25	25	25	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	11
Rescue units	31	31	31	32	32	33	33	33	33	33
Refuse collection										
Collection trucks	21	23	22	22	22	21	23	23	19	19
Other public works										
Streets (miles)	498	498	500	500	500	532	532	499	525	525
Streetlights	963	966	1,060	1,170	1,242	2,500	2,500	2,500	2,700	2,700
Traffic signals	163	164	167	160	160	162	162	164	165	167
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292
Playgrounds	47	47	47	47	47	47	47	47	47	47
Baseball/softball diamonds	26	26	26	27	27	27	27	27	27	27
Soccer/football fields	17	17	17	17	17	17	17	17	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community center	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	538	547	553	558	560	560	580	582	583	584
Fire hydrants	4,819	4,914	5,013	4,000	5,081	5,317	5,345	5,377	5,401	5,436
Storage capacity (thousands of gallons)	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Wastewater										
Sanitary sewers (miles)	540	540	540	540	540	534	534	534	528	526
Storm sewers (miles)	200	200	200	200	200	200	127	127	133	133
Treatment capacity (thousands of gallons)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000

Sources: Various city departments

CITY OF SOUTH BEND, INDIANA
NEW CONSTRUCTION - NUMBER OF PERMITS AND PROPERTY VALUES
Last Ten Fiscal Years
(Dollar Amounts in 000's)

<u>Year</u>	<u>Residential Number of Permits</u>	<u>Residential Value (in 000's)</u>	<u>Residential Value Increase/ (Decrease)</u>	<u>Commercial Number of Permits</u>	<u>Commercial Value (in 000's)</u>	<u>Public Utility Number of Permits</u>	<u>Public Utility Value (in 000's)</u>	<u>Manufacturing Number of Permits</u>	<u>Manufact Value (in 000's)</u>	<u>Commercial, Public Utility and Manufacturing Total Value (in 000's)</u>	<u>Total Value Increase/ (Decrease)</u>
2004	147	20,203	3.2%	20	24,340	2,823	50,910	3	847	76,097	35.7%
2005	166	25,123	24.4%	17	28,578	2,611	39,435	1	6,000	74,013	-2.7%
2006	102	17,241	-31.4%	21	36,749	2,282	34,836	2	7,927	79,512	7.4%
2007	103	18,314	6.2%	28	27,082	1,907	28,720	5	6,612	62,414	-21.5%
2008	55	10,032	-45.2%	15	44,678	1,662	29,685	1	2,416	76,779	23.0%
2009	48	8,467	-15.6%	10	29,451	1,627	28,785	0	0	58,236	-24.2%
2010	35	7,450	-12.0%	5	28,283	1,221	25,998	0	0	54,281	-6.8%
2011	33	6,300	-15.4%	14	10,737	880	20,265	1	2,023	33,025	-39.2%
2012	45	9,827	31.9%	11	21,247	0	0	2	2,291	23,538	-56.6%
2013	50	15,136	140.3%	8	4,954	0	0	1	160	5,114	-84.5%

Source - Consolidated City/County Building Department and City Engineering Department.

City of South Bend, Indiana
Full-Time Equivalent City Government Employees by Department
Last Ten Fiscal Years

<u>Department</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General Government</u>										
Mayor's Office	10.00	10.00	10.00	10.00	9.00	8.00	7.00	7.00	6.00	6.00
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	29.00	31.00	32.00	31.00	29.00	26.00	26.00	27.00	22.00	20.00
City Attorney's Office	15.00	15.00	15.00	15.00	15.00	9.00	9.00	9.00	9.00	10.00
Code Enforcement	28.00	28.00	28.00	27.00	27.00	27.00	23.00	25.00	25.00	24.00
Engineering	20.00	19.00	19.00	18.50	18.50	16.00	19.00	17.00	15.00	13.00
311 Call Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
Safety and Risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00
Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00
<u>Public Safety</u>										
Police Department	315.00	317.00	317.00	320.00	317.00	279.00	293.00	293.00	291.00	291.00
Communication Center	31.00	31.00	31.00	30.00	30.00	37.00	38.00	35.00	35.00	33.00
Fire Department	257.00	255.00	255.00	254.00	254.00	246.00	255.00	258.00	249.00	255.00
Building Maintenance	6.00	7.00	7.00	7.00	7.00	4.00	3.00	3.00	0.00	0.00
<u>Culture and Recreation</u>										
Parks and Recreation	124.00	123.00	122.00	122.00	121.00	111.00	113.00	114.00	114.00	113.00
Convention and Events Management (1)	50.00	50.00	49.00	16.00	15.00	13.00	13.00	14.00	14.00	14.00
<u>Economic Development</u>										
Department of Community Investment	42.00	42.00	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00
<u>Highways and Streets</u>										
Street Department	71.00	71.00	66.00	54.00	54.00	51.00	52.00	56.00	52.00	60.00
Traffic & Lighting	11.00	11.00	11.00	11.00	11.00	6.00	0.00	0.00	0.00	0.00
<u>Enterprise Funds</u>										
Water Works	87.00	86.00	86.00	86.00	80.00	82.00	75.00	74.00	73.00	70.00
Wastewater	55.00	51.00	53.00	54.50	56.50	48.00	51.00	49.00	46.00	45.00
Organic Resources (formerly in Wastewater)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00
Sewer	30.00	30.00	29.00	28.00	28.00	33.00	35.00	36.00	39.00	34.00
Solid Waste	31.00	31.00	31.00	26.00	26.00	26.00	26.00	23.00	24.00	26.00
Building Department	22.00	22.00	22.00	22.00	22.00	15.00	13.00	13.00	13.00	14.00
<u>Internal Service Fund</u>										
Central Services	50.00	50.00	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00
Total Positions	1,298.00	1,294.00	1,288.00	1,230.00	1,213.00	1,116.00	1,132.00	1,133.00	1,122.00	1,131.00

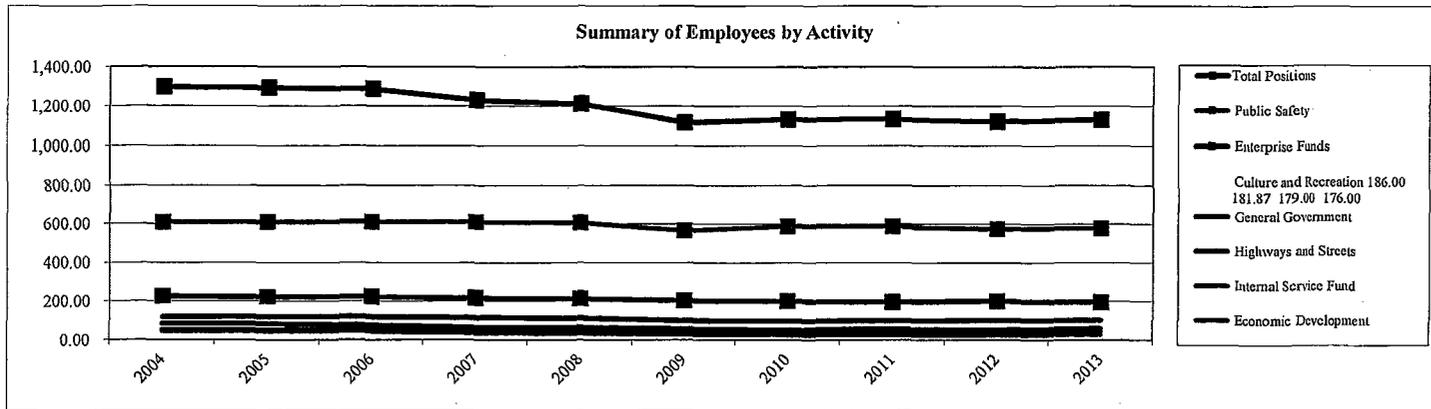
**City of South Bend, Indiana
Full-Time Equivalent City Government Employees by Department
Last Ten Fiscal Years**

<u>Department</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Summary by Activity</u>										
General Government	116.00	117.00	118.00	115.50	112.50	100.00	98.00	99.00	100.00	101.00
Public Safety	609.00	610.00	610.00	611.00	608.00	566.00	589.00	589.00	575.00	579.00
Culture and Recreation	174.00	173.00	171.00	138.00	136.00	124.00	126.00	128.00	128.00	127.00
Economic Development	42.00	42.00	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00
Highways and Streets	82.00	82.00	77.00	65.00	65.00	57.00	52.00	56.00	52.00	60.00
Enterprise Funds	225.00	220.00	221.00	216.50	212.50	204.00	200.00	195.00	201.00	195.00
Internal Service Fund	50.00	50.00	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00
Total Positions	1,298.00	1,294.00	1,288.00	1,230.00	1,213.00	1,116.00	1,132.00	1,133.00	1,122.00	1,131.00

Excludes seasonal, part-time and temporary positions

(1) Includes reduction of 34 positions in the City's convention facility (Century Center) during 2007. Century Center is being managed by a private company under an agreement with the City of South Bend.

Source: City of South Bends Performance Based Budgets and personnel records



**City of South Bend, Indiana
Salary Rate Comparison
1990 - 2013**

<u>Year</u>	<u>----1st Class Patrol Officer----</u>		<u>---1st Class Fire Fighter---</u>		<u>Non-bargaining</u>	<u>Teamsters</u>
	<u>Percent</u>	<u>Base Salary</u>	<u>Percent</u>	<u>Base Salary</u>		
1990	3.62%	20,071	4.74%	19,869	3.00-4.00%	.25 per hour
1991	0.92%	20,256	2.52%	20,369	3.00%	.25 per hour
1992	4.69%	21,206	2.45%	20,869	3.00%	.30 per hour
1993	0.44%	21,300	5.00%	21,912	4.24%	0.00%
1994	2.35%	21,800	0.00%	21,912	1.50% + \$300 bonus	.15 per hour
1995	4.82%	22,850	3.00%	22,569	1.50% + \$300 bonus	.30 per hour
1996	4.38%	23,850	5.00%	23,697	3.00%	.27 per hour
1997	4.19%	24,850	4.87%	24,850	3.00%	.33 per hour
1998	4.63%	26,000	0.60%	25,000	3.00%	.37 per hour
1999	3.85%	27,000	2.60%	25,650	3.25%	3.50%
2000	5.56%	28,500	9.34%	28,045	3.50%	3.50%
2001	9.74%	31,275	11.52%	31,275	3.50%	4.00%
2002	4.50%	32,682	4.03%	32,534	4.00%	4.00%
2003	5.57%	34,504	4.04%	33,850	4.00%	4.00%
2004	6.01%	36,578	5.17%	35,600	4.00%	4.00%
2005	9.36%	40,000	12.36%	40,000	4.00%	4.00%
2006	2.50%	41,000	2.00%	40,800	2.00%	4.25%
2007	2.50%	42,025	2.50%	41,820	\$750/0%	.38 per hour
2008	3.50%	43,496	3.50%	43,285	3.00%	3.00%
2009	2.20%	44,453	2.00%	44,150	2.00%	2.00%
2010	0.00%	44,453	6.80%	47,150	2.00%	2.00%
2011	11.50%	49,563	4.06%	49,066	2.00%	0.00%
2012	2.00%	50,554	2.00%	50,047	2.00%	2.00%
2013	2.50%	51,818	3.00%	51,550	2.00%	2.00%

Source - City of South Bend personnel records

**CITY OF SOUTH BEND, INDIANA
INSURANCE COVERAGE
2013**

<u>Type of Coverage</u>	<u>Limits of Liability</u>	<u>Estimated Annual Premium</u>
<u>LIABILITY</u>		
Comprehensive General Liability	Statutory	Self-Insured
Police Professional Liability	Statutory	Self-Insured
Ambulance Malpractice Liability	Statutory	Self-Insured
Premises Liability (Clay Utilities, Century Center, Parking Garages)	Statutory	Self-Insured
CGL - Stadium	Statutory	Self-Insured
Liquor Liability	4/26/13 - 14 \$1,000,000	\$1,778 Premium
<u>CRIME</u>		
Public Employee Dishonesty	12/31/13 - 14 \$1,000,000	\$9,128 Premium
<u>PROPERTY</u>		
All risk blanket building & contents	7/1/13 - 14 \$579,877,793	\$357,187 Premium
Business Income	Included in above	Included in above
Machinery Breakdown	Included in above	Included in above
Fine Arts	Included in above	Included in above
Valuable Papers & Records	Included in above	Included in above
Contractors Equipment	Included in above	Included in above
Flood Insurance - Pump station & contents	1/15/13 - 14 \$622,200	\$5,837 Premium
Eddy Street Commons Parking Garage	3/2/13 - 14	
Building & Infrastructure	\$36,000,000	\$24,888 Premium
Business Income & Rental Value	\$15,000,000	Included in above
Flood	\$25,000,000	Included in above
Earthquake	\$25,000,000	Included in above
<u>OTHER</u>		
Workers Compensation	1/1/13 - 14 Statutory	Self-Insured
Third Party Fee	Statutory	\$65,000 Fee
Excess Over Self-insured \$400,000 Retention Each Accident	Statutory	\$106,185 Premium/Fee

Source: City of South Bend Administration & Finance Department
Gibson Insurance Company

City of South Bend, Indiana
Miscellaneous Statistics
December 31, 2013

Police Department

	<u>2012</u>	<u>2013</u>
Authorized Officers	260	260
Vehicles	350	358
<u>Special Officer Groups:</u>		
K-9 Patrols	8	8
SWAT Team	17	17
Metro Drug Task Force (of 20 total)	15	13
NEST - Special Neighborhood Unit	7	7
Motorcycle Patrol Officers	6	6
Bomb Squad	6	5
Crime Prevention Officers	3	4
<u>Crime Data:</u>		
Murders	18	9
Rapes	55	93
Robbery	316	363
Aggravated Assault	235	199
Residential Burglary	1,318	1,171
Non-residential Burglary	426	297
Larceny	2,798	3,095
Auto Theft	283	326
Arson	34	27
Calls for Service	89,615	89,707
Dispatches	89,615	89,707
Miles Driven	3,549,725	3,461,374
Arrests	3,174	2,961

Fire Department

Paid Department established 1887

	<u>2012</u>	<u>2013</u>
Sworn Firefighters		
(51 of which are Paramedics)	251	251
Fire Apparatus	20	20
Hazardous Materials Truck	1	1
Reserve Pumper Trucks	3	3
Reserve Ladder Trucks	2	2
River Rescue Boats	3	3
Ambulances	7	7
Neonatal (Newborn) Units	3	3
Fire Runs	3,224	3,178
Ambulance Runs	12,496	12,834

Department of Public Works

	<u>2012</u>	<u>2013</u>
Traffic Signals	165	167
Street Lights (City maintained)	2,700	2,700
Miles of Streets	525	525
Miles of Sidewalks	695	695
Miles of Alleys	398	398
Miles of Sanitary Sewers and Storm Drains	661	661
City Owned Vehicles & Related Units	1,146	1,127
Trash Picked Up Per Week (in tons)	512/wk	488/wk

Sign Shop

	<u>2012</u>	<u>2013</u>
Work orders for sign maintenance, installation or removal	1,508	1,719
Miles of yellow and white paint	88	306
Pre-formed plastic arrows used for street markings	62	40
Crosswalk painting at intersections	230	378
Turn arrows in turn lanes	82	20
Detour routes	64	41
Temporary No Parking postings	418	503
Built Portables	150	250
Railroad Crossings	39	39
Special Signs Built	1250	1050
Barricades set up for events (# of events):	98	126
Block Parties	26	10

Sewer Utility

	<u>2012</u>	<u>2013</u>
Customers	39,068	39,322
Dry Tons of Sludge produced per year	3,041	2,490
Miles of Sanitary Sewer Lines	528	528
Miles of Storm Sewer Lines	133	133

Water Utility

	<u>2012</u>	<u>2013</u>
Customers/Meters	39,596	39,954
Irrigation Customers	2,779	2,815
Wells/Pumps in service	30	30
Pumping Capacity	60 m.g.d.	60 m.g.d.
Daily Consumption	16.6 m.g.d.	15.3 m.g.d.
Peak Demand	36.6 m.g.d.	27.1 m.g.d.
Miles of Distribution Systems	583	584
Fire Hydrants	5,401	5,436

**City of South Bend, Indiana
Miscellaneous Statistics
December 31, 2013**

South Bend International Airport

<u>Year</u>	<u>Passenger Volume</u>
2004	780,033
2005	693,675
2006	729,619
2007	779,356
2008	704,418
2009	625,077
2010	626,597
2011	599,127
2012	589,030
2013	629,287

The South Bend Regional Airport had 33,122 take-offs and landings during 2013. Approximately 36 commercial airline flights per day fly to 10 hub airports.

Commercial airlines with operations at South Bend International Airport (market share):

	<u>2012</u>	<u>2013</u>
Allegiant Air	26.14%	29.30%
Delta Connection	45.06%	40.17%
United Express	26.33%	23.36%
Frontier	1.80%	5.42%
Charters	0.67%	1.75%
Total	100.00%	100.00%

Bus Passengers (to O'Hare/Midway)	33,668	31,058
Train Passengers (South Shore)	272,364	257,997

Transpo

South Bend Public Transportation Corporation

	<u>2012</u>	<u>2013</u>
Motor Bus (Fixed Route)		
Route Miles	264.8	286.8
Ridership	2,250,083	2,239,076
Miles of Service	1,445,521	1,318,612
Revenue Miles	1,344,053	1,245,780
Demand Response (ACCESS)		
Ridership	54,808	57,831
Total Miles	314,083	313,022
Revenue Miles	279,216	280,904

Convention Facilities

Century Center	75,000 square feet of exhibit space 2,590 available seating 750 seat theater
Morris Performing Arts Center	2,500 available seating
Motels	31 motels/hotels 6 Bed and Breakfasts Over 4,200 available rooms
Major motels and meeting rooms:	
Magnuson Grand Hotel	facilities to seat 200
Double Tree	facilities to seat 300

Other Transportation

43 Trucking Lines, 33 Terminals
2 Interstate Bus Lines
4 Major Rail Systems (freight and passenger)

Health Care

The City of South Bend has excellent health care access at costs below the national average and the lowest in the Midwest region. The City has one major hospital:

Memorial Health Systems 526 beds

Other

- Incorporated in 1865
- County Seat of St. Joseph County
- South Bend officially began under the name South Hold but the name was changed by the Post Office in 1830 to avoid confusion with other communities that used that name. The name South Bend was used because the City is located at the southernmost point of the St. Joseph River.
- Average High Temperature:
January 27.7 degrees Fahrenheit
July 81.0 degrees Fahrenheit

Colleges and Universities

<u>Universities and Colleges</u>	<u>Enrollment</u>	
	<u>2012</u>	<u>2013</u>
University of Notre Dame	12,100	12,088
Indiana University at South Bend	8,490	8,490
Bethel College	1,963	1,804
St. Mary's College	1,380	1,479
Holy Cross College	450	525
Trine University - South Bend	100	154
Brown Mackie College - South Bend	674	448
Purdue University South Bend	200	200
<u>Technical Colleges</u>	<u>Enrollment</u>	
	<u>2012</u>	<u>2013</u>
IVY Tech Community College	6,000	8,003

Communications

Access to:

4 Major Television Networks (WNDU, WSJV, WSBT, WBND)
1 Public Broadcasting Television Station (WNIT)
2 Local Television Stations (WHME, WMWB)
1 Major Newspaper (The South Bend Tribune)
25 Radio Stations

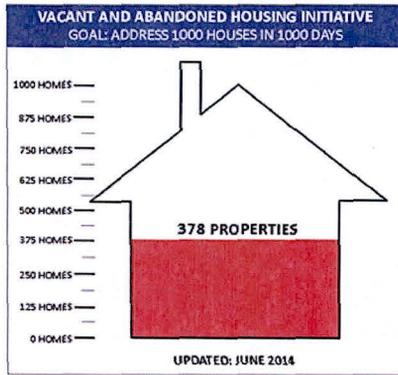
Famous Residents

South Bend has been the home to the many distinguished individuals including the following persons:

Schuyler Colfax, 17th U.S. Vice President
John Fogerty, singer
Michael Warren, actor
Chad Everett, actor
Sidney Pollack, actor/director
Knute Rockne, football coach
John Wooden, basketball coach
Joe Kernan, former South Bend Mayor and Indiana Governor
Ryan Newman, racecar driver
Skylar Diggins, woman's basketball player

BY THE NUMBERS

from the City of South Bend

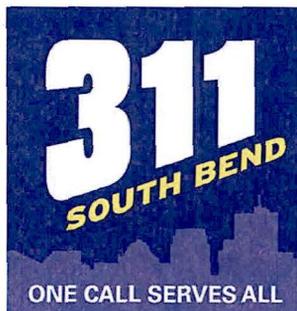


1,000 Homes in 1,000 Days: 119 houses repaired, 128 houses demolished, 129 houses under contract for demolition.



The City saw over \$69.9 million in construction investment in 2013.

AA
BOND RATING
= #1
of all of Indiana's
Second Class Cities



109,724 calls to 311, South Bend's customer-service line.

Over 1,000 jobs were created in 2013. The Department of Community Investment assisted with the development of 1 out of 3 of these jobs.

Through the efforts of the Department of Community Investment, 330 jobs were created in 2013. An additional 489 jobs were retained.



The City has paired up with EnFocus, which encourages graduates of Notre Dame's ESTEEM program to spend a postgraduate year in our community solving problems and working on issues of civic importance. In 2013, EnFocus fellows helped save the South Bend community, including the South Bend Fire Department, \$3.2 million through innovative initiatives.



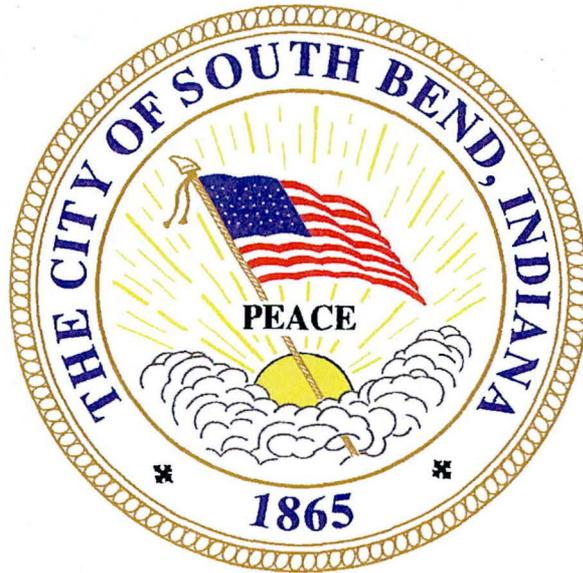
The City refinanced its Century Center and Sewer Bonds, saving over \$1 million and \$970,000 respectively.



In 2013, the South Bend's Parks and Recreation volunteer program generated 21,892 volunteer hours valued at \$460,128.



Energizing Indiana presented the City of South Bend with \$95,550 in rebate checks for the efficiency achieved in three downtown parking garages from replacing 775 light fixtures with T5 fluorescent bulbs, a change which saved \$35,433 in electricity costs. The City will get a full return on its \$250,000 investment in just over 1.5 years.



City of South Bend

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