



Comprehensive Annual Financial Report

FISCAL YEAR ENDING ON DECEMBER 31, 2014



CITY OF SOUTH BEND, INDIANA
PETE BUTTIGIEG, MAYOR
JOHN MURPHY, CITY CONTROLLER

REPORT PREPARED BY
CITY OF SOUTH BEND DEPARTMENT OF ADMINISTRATION AND FINANCE

City of South Bend, Indiana

Contents

Introductory Section

City Officials	i
Controller's Letter of Transmittal	ii-xiii
Certificate of Achievement for Excellence in Financial Reporting	xiv
Organization Chart	xv

Financial Section

Report Letter	1-3
Management's Discussion and Analysis	4-29
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	30-31
Statement of Activities	32-33
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	34-35
Reconciliation of the Balance Sheet to the Statement of Net Position	36
Statement of Revenue, Expenditures, and Changes in Fund Balances	37-38
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
Statement of Net Position	40-41
Statement of Revenue, Expenses, and Changes in Net Position	42
Statement of Cash Flows	43-44
Fiduciary Funds:	
Statement of Fiduciary Net Position	45
Statement of Changes in Fiduciary Net Position	46
Notes to Financial Statements	47-96

City of South Bend, Indiana

Contents (Continued)

Required Supplementary Information	97
1925 Police Officers' Pension Plan:	
Schedule of Funding Progress	98
Schedule of Investment Returns	99
Schedule of Contributions	100
Schedule of Changes in the City Net Pension Liability and Related Ratios	101
1937 Firefighters' Pension Plan:	
Schedule of Funding Progress	102
Schedule of Investment Returns	103
Schedule of Contributions	104
Schedule of Changes in the City Net Pension Liability and Related Ratios	105
OPEB System Schedule	106
Budgetary Comparison Schedules - General Fund & Major Special Revenue Funds:	
General Fund	107-109
Park and Recreation Fund	110
Public Safety LOIT Fund	111
COIT Fund	112
EDIT Fund	113
Budget/GAAP Reconciliation	114
Notes to Required Supplementary Information	115-116

City of South Bend, Indiana

Contents (Continued)

Other Supplementary Information

Nonmajor Governmental Funds:	117
Fund Descriptions	118-122
Combining Balance Sheet	123-133
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	134-145
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual	146-204
Nonmajor Enterprise Funds:	
Fund Descriptions	205
Combining Statement of Net Position	206
Combining Statement of Revenue, Expenses, and Changes in Net Position	207
Combining Statement of Cash Flows	208-209
Internal Service Funds:	
Fund Descriptions	210
Combining Statement of Net Position	211
Combining Statement of Revenue, Expenses, and Changes in Net Position	212
Combining Statement of Cash Flows	213-214
Fiduciary Funds:	
Fund Descriptions	215
Statement of Assets and Liabilities	216
Combining Statement of Changes in Fiduciary Net Position	217
Statement of Changes in Assets and Liabilities	218

Statistical Section

Financial Trend Information:

Net Position by Component	219
Changes in Net Position	220-221
Fund Balances, Governmental Funds	222
Changes in Fund Balances, Governmental Funds	223

Revenue Capacity Information:

Property Tax Levies and Collections	224
Direct and Overlapping Property Tax Rates	225
Detail of Net Assessed Valuation	226
Assessed Value and Actual Value of Taxable Property	227
Net Assessed Value of Taxable Property	228
Assessed Value of Taxable Property	229
Property Tax Collections - Cash Basis	230
2014 Circuit Breaker Property Tax Cap Credits	231
Principal Property Taxpayers	232
Local Option Income Tax Revenue (CEDIT)	233
Local Option Income Tax Revenue (COIT)	234
Local Option Income Tax Revenue (PS LOIT)	235
Total County Option Income Tax Distributions by Taxing Unit	236
Ten Largest Water Customers	237
Ten Largest Sewage Works Customers	238
Gasoline Tax Collections - Cash Basis	239
Wheel and Excise Surtax Collections - Cash Basis	240
Hotel/Motel Tax Revenue	241
Professional Sports Development Tax - Cash Basis	242
Cable Television Franchise Fee Collections - Cash Basis	243

Debt Capacity Information:

Computation of Legal Debt Margin	244
Legal Debt Margin Information	245
Ratios of Outstanding Debt by Type	246
Computation of Direct and Overlapping Debt	247
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Government Expenditures	248
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	249
St Joseph County Hotel/Motel Tax Board Statement of Estimated Cash Flow and Debt Service Coverage	250
Schedule of Revenue Bond Coverage - Water Utility Bonds	251
Schedule of Revenue Bond Coverage - Wastewater Utility Bonds	252
Annual Wastewater Flow Data and Number of Customers	253

City of South Bend, Indiana

Contents (Continued)

Statement of City-Owned Utility Debt	254
Estimated Debt Service Coverage Calculation of Sewage Works	255
Estimated Debt Service Coverage Calculation of Water Utility	256
Projected COIT Revenues	257
Statement of Estimated Cash Flow and Debt Service Coverage	258
Estimated Tax Increment Revenue - Erskine Village Project	259
Demographic and Economic Information:	
Demographic Statistics	260-261
Employment by Type and Industry	262
Comparison of Growth Rates in Personal Income for St. Joseph County, the State of Indiana, and U.S. Personal Income	263
Principal Employers	264
Operating Information:	
Operating Indicators by Function/Program	265
Capital Asset and Infrastructure Statistics by Function/Program	266
New Construction - Number of Permits and Property Values	267
Full-Time Equivalent City Government Employees by Department	268-269
Salary Rate Comparison	270
Insurance Coverage	271
Financial Institutions	272
Miscellaneous Statistics	273-274

CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Pete Buttigieg	01-01-12 to 12-31-15
Controller	John Murphy	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 12-31-14
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 Davis	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 30, 2015

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, 2014** 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) require 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 ended December 31, 2013. The **financial section** begins with the independent auditor's report on the City's financial statements and schedules, the City management's 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 600,000). The City of South Bend operates with a mayor as chief executive and a nine-member City Common Council composed of six members elected from districts and three members elected at-large.

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

Location

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

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

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

St. Joseph County, with its 2010 U.S. Bureau of the Census population of 266,931, boasts a strong history of manufacturing which continues today. The service industry and retail trade have also flourished, creating a balance that serves the community well. The County experienced a net growth in population of 28,317 (11.8% increase) between 1960 and 2010. After experiencing a reduction of 2.6% during 1969 to 1983, at which time the entire Midwest was at the depth of its economic restructuring and recess, the County's population increased 4.0% between 1983 and 1990 and another 7.5% between 1990 and 2000. The population of St. Joseph County is expected to have experienced a modest increase to an estimated 267,618 in 2014.

The estimated labor force in St. Joseph County is 135,350 workers (US Census Bureau 2009-2013 American Community Survey 5-Year Estimates). The workers are typical of the Midwest: well-trained with a strong work ethic. Approximately 87.8% of the area's adult population (25 and older) are high school graduates or higher (as compared to the national average of 75%) with an estimated 26.5% 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. For 2014, St. Joseph County experienced an average unemployment rate of 6.7%, near average when compared to its surrounding counties—Elkhart (5.2%), LaPorte (7.7%), and Marshall (5.6%) in Indiana and Cass (6.6%) and Berrien (6.7%) in Michigan. Indiana's unemployment rate averaged 5.5% in 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 2009-2013 American Community Survey 5-Year Estimates Civilian Employed Population):

<u>Economic Sector</u>	<u>Number Employed</u>	<u>% of Total</u>
Educational Services, Healthcare, Social Assistance	33,989	28.2%
Manufacturing	19,691	16.4%
Retail Trade	13,739	11.4%
Arts, Entertainment, Recreation, Accommodation, Food Services	11,463	9.5%
Professional, Scientific, Management, Administrative, Waste Management Services	9,293	7.7%
Finance and Insurance, Real Estate, Rentals, Leasing	6,692	5.6%
Other Services, except Public Administration	5,611	4.7%
Construction	5,468	4.5%
Transportation and Warehousing, and Utilities	5,059	4.2%
Wholesale Trade	3,585	3.0%
Public Administration	3,457	2.9%
Information	1,807	1.5%
Agriculture, Forestry, Fishing, Hunting, Mining	<u>532</u>	<u>0.4%</u>
Total	120,386	100.0%

St. Joseph County presently has an estimated 101,947 households with an average per capita personal income of \$23,509, which compares to the State of Indiana average per capita income of \$24,635 and the United States per capita income of \$28,155. The per capita income in St. Joseph County compares favorably with most of its surrounding counties—Elkhart (\$21,109), La Porte (\$22,852), and Marshall (\$21,933) in Indiana and Cass (\$22,743) and Berrien (\$24,013) in Michigan.

Health and education lead the employment statistics for St. Joseph County. The largest employers in St. Joseph County as of December 2014 were as follows: University of Notre Dame (5,590), Beacon Health Systems (3,400), Trinity Health/St. Joseph Regional Medical Center (3,000), South Bend Community School Corporation (2,880), AM General (2,738), Martin's Supermarkets (1,555), Meijer, Inc. (1,450), St. Joseph County (1,300), Indiana University – South Bend (1,266), 1st Source Corporation (1,160), and The City of South Bend (1,098).

The following provides a profile of the residents of St. Joseph County (Census Estimates for July 2013):

Gender %, male/female:	48.5% male; 51.5% female
Age:	24.2% under 18 11.3% 18-24 years of age 24.7% 25-44 years of age 26.0% 45-64 years of age 13.8% 65 years of age and older
Race:	73.6% White 13.1% Black/African American 7.9% Hispanic/Latino 2.2% Asian 3.2% Other
Home Ownership:	69.5% own; 30.5% 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 2015, the median sales price for a single family home in the South Bend Statistical Area was \$85,100 as compared to a median sales price of \$192,500 in Chicago, \$137,000 in Grand Rapids, \$106,300 in Ft. Wayne and \$139,200 in Indianapolis. The Midwest median sales price is \$156,600.

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 parks 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 19,308 students in grades pre-kindergarten through 12. An estimated 5,392 students attend private or parochial schools within the City. The ten institutions of higher education and technical training located within the South Bend area have a total enrollment of approximately 31,000. Over the years, the University of Notre Dame has provided a stabilizing influence on the economy with a very significant positive economic impact upon the community.

South Bend History and Amenities

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

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

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

The Four Winds Field Baseball Stadium is a 5,600-seat facility which opened in 1987 and is rated among the best in minor league baseball. Until recently, the stadium was home to the South Bend Silver Hawks, a Single-A minor league team in the Midwest League affiliated with the Arizona Diamondbacks. In January 2011, the Silver Hawks were sold to Chicago businessman Andrew Berlin, who has forged a strong partnership with the City and plans to keep the team in South Bend for many years to come. In September 2014, a four-year player contract was reached with the Chicago Cubs and the team became the South Bend Cubs. Total attendance in 2014 of 259,000 was up approximately 9% over 2013, but upon the announcement of the new Cubs franchise, 2015 sales have repeatedly broken records.

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

Financial, Budgetary and Property Tax Controls

The City’s management team is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City. As part of the City's single audit described earlier, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the year ended December 31, 2014 are included in a separate report.

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

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

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

During March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties and 3% for all other real and personal property. This legislation was phased in over a two-year period beginning in 2009. The loss of revenue to the City due to this legislation was significant (estimated to be over \$28 million in the General Fund) but this revenue loss has been offset by cost savings and the adoption of local option income taxes in order to continue providing essential City services, including police and fire protection.

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

City Mission Statement and Department Purpose Statements

The City provides services to its customers through fourteen (14) 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.

Morris Performing Arts Center & Palais Royale:

Providing the premiere venue for live entertainment and banquet facility.

Building South Bend in 2015 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 2015 budget. There are five areas of concentration that became or remained budget priorities for 2015:

- ***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 Department 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 diverse 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. The City has initiated a “smart streets” program to convert four downtown streets from one-way to two-way traffic that will make the streets safer and more user-friendly for pedestrians and non-motorists.
- ***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 resulting in \$300 million in new private investment and the creation of over 2,000 jobs in the last 24 months. A few of these projects include the renovation and modernization of our Ethanol Plant, the construction of 1 million square feet of industrial space (underway), the renovation of three large historic buildings in the downtown to market rate apartments, the rebranding of our minor league baseball team and new affiliation with Chicago Cubs resulting in record high attendance, the announcement of \$700 million in construction to occur at the Notre Dame Campus and the attraction of General Electric to our Tech Park to partner with Notre Dame on the nation's most advanced jet propulsion testing facility.

Mayoral Leadership

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

1. **New Economic Partnerships** - to lay out a new economic vision for our community as well as to agree on a smarter division of labor among various groups involved in economic development.

2. **High Ethical Standards** - on his first day in office, the Mayor issued an executive order introducing a new ethics code for City employees.
3. **Customer Service Mentality** - design ways that City employees can track and resolve citizens' issues efficiently by using more advanced technology. This effort led to the creation of a "311 Call Center" for non-emergency municipal telephone calls during 2012. The Call Center has taken more than 200,000 calls through June 2015 and continues to add departments to be a central call center for most areas of City government.
4. **Strong Partnerships with Schools** - the Mayor has improved dialogue with the South Bend School Corporation and other stakeholders to ensure a strong educational system in the City. The Mayor has begun programs to double the number of public school mentors and curb youth and gun violence.
5. **Transparency and Accessibility** - choosing not to serve from behind his desk, Mayor Buttigieg has conducted a series of monthly "Mayor's Night Out" and "Mayor's Night In" events around town to allow citizens to speak to him and his department heads directly about concerns and ideas. The City website has been re-designed and additional financial and operational reports are being made available online.
6. **Vacant and Abandoned Buildings** - as with many large cities, the City of South Bend has an issue with vacant and abandoned buildings. The City has taken on this issue with the appointment of a blue-ribbon task force that developed new strategies and initiated an aggressive three-year program—1,000 buildings in 1,000 days—to reduce the number of vacant and abandoned buildings. As of June 2015, 955 of the 1,000 buildings have been addressed. The remaining 45 buildings should be addressed as planned by November 2015.
7. **Smart Streets** - an effort to improve the role of streets within South Bend. Projects within this initiative utilize the "Complete Streets" philosophy which advocates for the design of streets to enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. During 2015, the City issued a bond for \$25 million to move the project of two-way street conversions and other Smart Street initiatives forward.
8. **South Bend Group Violence Intervention (SBGVI)** - unites community leaders around a common goal: to stop gun violence and keep South Bend's highest-risk citizens alive and out of prison. SBGVI is a partnership among 30 community leaders from law enforcement, government, education, civil service, health-care and faith-based agencies.

Administration Vision

The administration of Mayor Buttigieg has a single, overarching 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. Economic Development – 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, 2013. This was the 24th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

Sincerely,

John H. Murphy

John H. Murphy, MPA
City Controller

Jennifer C. Hockenhill

Jennifer Hockenhill, CPA
Deputy City Controller



Government Finance Officers Association

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

Presented to

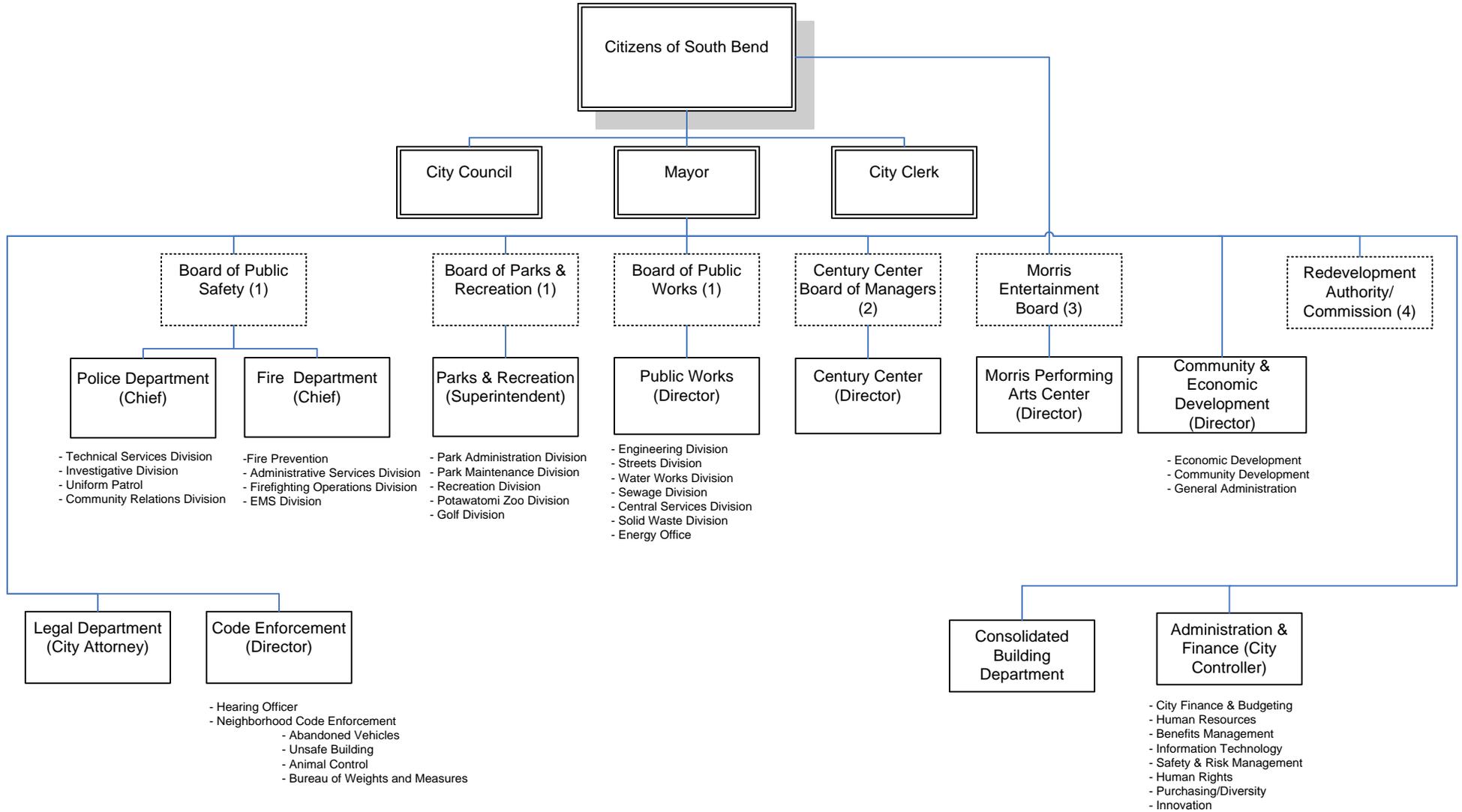
**City of South Bend
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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, 2014, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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

Other Information

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

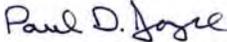
The combining and individual fund financial statements and other budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 and individual fund financial statements, and other budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, 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 30, 2015

City of South Bend, Indiana

Management's Discussion and Analysis

The management of the City of South Bend, Indiana (the "City") provides herewith this Management's Discussion and Analysis (MD&A) of the financial activities and condition of the **City of South Bend, Indiana** for the **fiscal year ended December 31, 2014**.

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

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

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

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

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 National Museum, South Bend Redevelopment Authority and Public Parking Garages within the city footprint.

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

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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's Discussion and Analysis report. In 2015, the City will celebrate its 150th birthday and a year-long series of community activities have been planned for "SB 150".

Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2014	2013 (Restated)	2014	2013	2014	2013 (Restated)
Assets/deferred outflows	\$ 498,965,722	\$ 502,405,650	\$ 302,099,795	\$ 304,776,403	\$ 801,065,517	\$ 807,182,053
Liabilities/deferred inflows	205,520,938	215,811,805	125,032,205	134,096,229	330,553,143	349,908,034
Net position						
Net investment in capital assets	168,275,521	192,190,446	136,685,811	114,506,252	304,961,332	306,696,698
Restricted	8,723,878	7,990,172	26,587,012	48,267,664	35,310,890	56,257,836
Unrestricted	116,445,385	89,373,431	13,794,767	7,906,258	130,240,152	97,279,689
Total net position	293,444,784	289,554,049	177,067,590	170,680,174	470,512,374	460,234,223
Change vs. prior year	3,890,735	3,771,016	6,387,416	1,268,807	10,278,151	5,039,823
Expenses	139,909,059	152,746,550	55,879,605	54,949,283	195,788,664	207,695,833
Revenues	144,482,843	152,263,646	61,583,972	60,743,277	206,066,815	213,006,923

- Government-wide net position was \$470,512,374 as of December 31, 2014.
- Government-wide net position increased by \$10,278,151 or 2.2% during fiscal 2014. Governmental activity net position increased by \$3,890,735 or 1.3% and business-type activity net position increased by \$6,387,416 or 3.7% during fiscal 2014. On an overall basis, the City is better off financially at December 31, 2014 than it was at December 31, 2013.
- Total assets and deferred outflows of resources as of December 31, 2014 of \$801,065,517 decreased by \$6,116,536 or -0.8% as compared to total assets and deferred outflows of resources as of December 31, 2013.
- Total liabilities and deferred inflows of resources as of December 31, 2014 of \$330,553,143 decreased by \$19,354,891 or -5.5% as compared to total liabilities and deferred inflows of resources as of December 31, 2013.
- As of December 31, 2014, the government-wide net position of \$470,512,374 has \$304,961,332 invested in capital assets (net of debt) which is not available for spending, \$35,310,890 classified as restricted for debt service; capital outlay; and other; and \$130,240,152 classified as unrestricted and may be used to meet ongoing obligations to creditors.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

- Government-wide revenue received in fiscal 2014 totaled \$206,066,815, a decrease of \$6,940,108 or -3.3% versus government-wide revenues received in fiscal 2013. Governmental activity revenue decreased by \$7,780,803 or -5.1%, whereas business-type activity revenue increased by \$840,695 or 1.4%.
- Government-wide expenses in 2014 totaled \$195,788,664, a decrease of \$11,907,169 or -5.7% compared to expenses of \$207,695,833 in 2013. Government activity expenses decreased by \$12,837,491 or -8.4% and business-type activity expenses increased by \$930,322 or 1.7% compared to fiscal 2013.
- Explanatory commentary concerning the changes in assets, liabilities, revenue and expenditures can be found in later sections of this MD&A.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

- Statement of Net Position

This statement reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City of South Bend as of December 31, 2014. The difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources is reported as "net position," and can generally be thought of as the net worth of the City. Increases in net position generally indicate an improvement in financial position while decreases in net position may indicate a deterioration of financial position.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

- **Statement of Activities**

This statement serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City of South Bend for the year ended December 31, 2014. 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. Each fund has its own cash balance which must be maintained according to the City's cash reserve policy.

Governmental Funds

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. Governmental funds use the modified accrual accounting method. The City maintains six (6) major governmental funds (General, Parks and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax, Economic Development Income Tax, and Airport TIF) and sixty-three (63) non major governmental funds.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Proprietary Funds

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains 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, which are considered major enterprise funds. Data from the other four (4) nonmajor enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste and Blackthorn Golf Course) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.
- **Internal service funds** are used to accumulate and allocate costs internally among the City's various functions and funds. The City maintains five (5) internal service funds. The City of South Bend uses internal service funds to account for its self-funded liability insurance program, self-funded employee health benefits program, unemployment compensation claims, police take-home vehicle program and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, printing and other services provided to City departments on a cost-reimbursement basis). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Pension Trust Fund Operations

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

Notes to the Financial Statements

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

Other Information

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Government-wide Financial Statements

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

Statement of Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2014	2013 (Restated)	2014	2013	2014	2013 (Restated)
Assets						
Current and other	\$ 214,391,686	\$ 218,030,938	\$ 64,664,042	\$ 71,410,179	\$ 279,055,728	\$ 289,441,117
Capital assets (net)	284,574,036	284,374,712	236,196,523	231,494,566	520,770,559	515,869,278
Total Assets	498,965,722	502,405,650	300,860,565	302,904,745	799,826,287	805,310,395
Deferred Outflows	-	-	1,239,230	1,871,658	1,239,230	1,871,658
Liabilities						
Current	30,496,632	30,589,281	14,315,178	15,240,917	44,811,810	45,830,198
Long term	174,715,186	184,657,140	110,277,807	118,317,952	284,992,993	302,975,092
Total Liabilities	205,211,818	215,246,421	124,592,985	133,558,869	329,804,803	348,805,290
Deferred Inflows	309,120	565,384	439,220	537,360	748,340	1,102,744
Net Position						
Net investment in capital assets	168,275,521	192,190,446	136,685,811	114,506,252	304,961,332	306,696,698
Restricted	8,723,878	7,990,172	26,587,012	48,267,664	35,310,890	56,257,836
Unrestricted	116,445,385	89,373,431	13,794,767	7,906,258	130,240,152	97,279,689
Total Net Position	\$ 293,444,784	\$ 289,554,049	\$ 177,067,590	\$ 170,680,174	\$ 470,512,374	\$ 460,234,223

- As of December 31, 2014, total assets and deferred outflows exceeded liabilities and deferred inflows by \$470,512,374, an increase of \$10,278,151, or 2.2%, from the net position level as of December 31, 2013.
- Governmental activities net position of \$293,444,784 increased by \$3,890,735 from December 31, 2013, an increase of 1.3%.
- Business-type net position of \$177,067,590 increased by \$6,387,416 over December 31, 2013, an increase of 3.7%. The increase in business-type net position was due primarily to a 5% increase in sewer rates which will be used to support long-term capital projects of the Wastewater utility.
- Government-wide assets and deferred outflows decreased \$6,116,536 or -0.8% as compared to amounts as of December 31, 2013 mainly due to spending on capital projects and principal payments on debt.
- Government-wide liabilities and deferred inflows decreased by \$19,354,891 or -5.5% as compared to amounts as of December 31, 2013. The decrease is due mainly to the City's decision to not seek new debt financing for the Wastewater utility in 2014, unlike in previous years which the utility issued bonds of \$20 million or more, and principal payments on existing debt. The City is currently re-evaluating compliance with its long-term control plan and new Wastewater utility bonds are not anticipated during 2015 or 2016.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2014	2013	2014	2013	2014	2013
Revenue						
Program revenue:						
Charge for services	\$ 11,473,867	\$ 13,158,358	\$ 59,858,306	\$ 59,906,998	\$ 71,332,173	\$ 73,065,356
Operating grants	3,203,805	21,466,622	-	-	3,203,805	21,466,622
Capital grants	-	1,867,213	95,834	697,917	95,834	2,565,130
General revenue:						
Taxes						
Property tax	69,221,468	72,018,650	-	-	69,221,468	72,018,650
Other tax	23,822,661	22,811,296	-	-	23,822,661	22,811,296
Unrestricted grants	29,061,942	5,893,924	-	-	29,061,942	5,893,924
Investment earnings	951,901	762,269	128,168	138,362	1,080,069	900,631
Other revenue	6,747,199	14,285,314	1,501,664	-	8,248,863	14,285,314
Total Revenue	144,482,843	152,263,646	61,583,972	60,743,277	206,066,815	213,006,923
ExpenseS						
General government	19,013,453	12,929,631	-	-	19,013,453	12,929,631
Public safety	68,783,155	76,023,819	-	-	68,783,155	76,023,819
Highways and streets	13,031,500	20,915,815	-	-	13,031,500	20,915,815
Culture and recreation	16,802,311	26,846,471	-	-	16,802,311	26,846,471
Economic development	19,780,791	10,069,690	-	-	19,780,791	10,069,690
Interest on long-term debt	2,497,849	5,961,124	-	-	2,497,849	5,961,124
Water utility	-	-	13,020,610	15,221,865	13,020,610	15,221,865
Wastewater utility	-	-	25,521,753	26,390,790	25,521,753	26,390,790
Civic center	-	-	4,747,838	4,330,656	4,747,838	4,330,656
Building department	-	-	3,242,320	1,131,815	3,242,320	1,131,815
Parking	-	-	1,660,596	1,285,056	1,660,596	1,285,056
Solid waste	-	-	5,811,526	5,091,588	5,811,526	5,091,588
Golf course	-	-	1,874,962	1,497,513	1,874,962	1,497,513
Total Expenses	139,909,059	152,746,550	55,879,605	54,949,283	195,788,664	207,695,833
Change in net position						
Before transfers	4,573,784	(482,904)	5,704,367	5,793,994	10,278,151	5,311,090
Transfers	(683,049)	4,525,187	683,049	(4,525,187)	-	-
Change in net position	3,890,735	4,042,283	6,387,416	1,268,807	10,278,151	5,311,090
Beginning net position (restated)	289,554,049	285,511,766	170,680,174	169,411,367	460,234,223	454,923,133
Ending net position	\$ 293,444,784	\$ 289,554,049	\$ 177,067,590	\$ 170,680,174	\$ 470,512,374	\$ 460,234,223

Governmental Activities

Net position for governmental activities increased by \$3,890,735 during fiscal 2014, an increase of 1.3%. Revenue of \$144,482,843 decreased by \$7,780,803, or -5.1%. Expenses were \$139,909,059 during 2014, a decrease of \$12,837,491, or -8.4% as compared to fiscal 2013.

The revenue decreases were due primarily to one-time payments for legal settlements, most notably from the Studebaker-Oliver Brownfield (\$3.8 million) and Bosch (\$2.0 million) in 2013 that were not received in 2014. Economic Development expenses decreased significantly due to the delays in certain capital projects due to developer timetables and needs. The timing of economic development project work is difficult to predict.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Interest on long-term debt of \$2,497,849 decreased by \$3,463,275 from 2013, as the City continued to take advantage of favorable financing rates by either retiring older, higher-rate instruments or refinancing instruments at better terms, along with the normal decrease in interest amounts due as the debt is repaid.

Transfers between funds were lower during 2014 due to an accounting change in the Public Safety LOIT fund. During 2014, expenditures for personnel costs of police officers and firefighters were made directly from this fund while in the past, the local income tax revenue was transferred to the General Fund and then appropriated from the General Fund.

Business-type Activities

Net position from business-type activities increased by \$6,387,416 during fiscal 2014, an increase of 3.7%. During 2014, revenue of \$61,583,972 increased by \$840,695 or 1.4% over fiscal 2013. During 2014, expenses of \$55,879,605 increased by \$930,322 or 1.7% when compared to fiscal 2013.

Revenue increased primarily in the Wastewater utility as a result of a 5% rate increase that was approved by the South Bend Common Council. Expenses in the Consolidated Building Fund increased by \$2,110,505 for 2014, due primarily to the addition of the Code Enforcement and Animal Care & Control Departments in this fund. In prior years, the costs of Code Enforcement and Animal Care & Control were paid from the General Fund.

Financial Analysis of Government Funds

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Condensed Balance Sheet, Statement of Revenue, Expenditures, and Changes in Fund Balance As of December 31, 2014

	General	Park & Rec	PS LOIT	COIT	EDIT	TIF Airport	Other	Total
Total assets	\$ 30,058,742	\$ 3,560,875	\$ 1,293,292	\$ 17,157,297	\$ 10,440,703	\$ 42,237,970	\$ 105,069,783	\$ 209,818,662
Total liabilities	2,471,337	277,728	284,728	640,415	112,987	872,760	10,672,035	15,331,990
Fund Balances:								
Nonspendable	558,304	52,385	-	174,999	270,001	8,835,659	15,474,263	25,365,611
Restricted	-	3,230,762	1,008,564	-	-	32,529,551	57,434,567	94,203,444
Committed	-	-	-	-	-	-	16,413,498	16,413,498
Assigned	-	-	-	16,341,883	10,057,715	-	10,776,249	37,175,847
Unassigned	27,029,101	-	-	-	-	-	(5,700,829)	21,328,272
Total fund balance	27,587,405	3,283,147	1,008,564	16,516,882	10,327,716	41,365,210	94,397,748	194,486,672
Liability & fund balance	30,058,742	3,560,875	1,293,292	17,157,297	10,440,703	42,237,970	105,069,783	209,818,662
Revenues	61,827,950	10,055,729	6,385,841	9,219,379	9,217,418	13,925,807	33,857,667	144,489,791
Expenditures	66,495,442	11,505,018	7,172,496	7,584,986	6,220,639	7,109,532	48,211,984	154,300,097
Net surplus (deficit)	(4,667,492)	(1,449,289)	(786,655)	1,634,393	2,996,779	6,816,275	(14,354,317)	(9,810,306)
Other sources (uses)	4,585,984	647,018	-	(1,916,279)	(3,833,985)	(1,466,084)	9,095,009	7,111,663
Net change in fund balances	(81,508)	(802,271)	(786,655)	(281,886)	(837,206)	5,350,191	(5,259,308)	(2,698,643)
Beginning 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
Ending fund balances	\$ 27,587,405	\$ 3,283,147	\$ 1,008,564	\$ 16,516,882	\$ 10,327,716	\$ 41,365,210	\$ 94,397,748	\$ 194,486,672

As of December 31, 2014, the City governmental funds reported a combined ending fund balance of \$194,486,672.

The nonspendable fund balance of \$25,365,611 is sequestered for property held for resale, inventory, and long-term receivables and is, therefore, not available for new spending. The restricted fund balance of \$94,203,444 consists of monies in debt service funds or other funds such as road and tax increment financing funds that are limited by external parties as to their use. The committed fund balance of \$16,413,498 is designated by the South Bend Common Council or South Bend Redevelopment Commission to be used for certain purposes such as for environmental projects. The assigned fund balance of \$37,175,847 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 \$21,328,272 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, certain culture and recreation expenses, and certain debt service obligations. As of January 1, 2014, Code Enforcement and its subsidiary, Animal Care & Control, were moved to the Consolidated Building fund.

As of December 31, 2014, the General Fund balance of \$27,587,405 represents a decrease of \$81,508 or -0.3% from the balance as of December 31, 2013. The decrease was due primarily to the adjustment of a long-term advance from the General Fund to the Hall of Fame Capital Fund.

As of December 31, 2014, the General Fund had an unassigned fund balance of \$27,029,101 which is equal to 43.7% of 2014 General Fund revenue.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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 2015 as a cash flow bridge to the receipt of property tax revenues from the County collection authority which distributes property tax revenue twice per year (June and December). The General Fund unassigned balance will provide sufficient cash to cover City operating obligations without incurring tax anticipation notes and resultant borrowing costs during fiscal 2015.

As discussed in Governmental Accounting, Auditing, and Financial Reporting (GAAFR), a General Fund unassigned fund balance should be either 1) no less than 5 to 15 percent of regular General Fund operating revenues, or 2) no less than one to two months of regular General Fund operating expenditures. An unassigned fund balance may be lower if circumstances dictate, such as a delay in collection of a major revenue source.

The **Parks and Recreation Fund** balance decreased \$802,271 during fiscal 2014, due primarily to a combination of flat property tax revenue and increased service and capital costs. As of December 31, 2014, the fund balance in the Parks and Recreation Fund was \$3,283,147, or 32.6% of 2014 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%, a part of which (0.25%) tax increase was established to fund public safety expenditures. The City has established the Public Safety LOIT Fund as a major governmental fund, due solely to its purpose of creating a funding source to sustain public safety staffing levels, which were compromised by state implementation of property tax reform that has reduced property tax revenues, which historically are the source of public safety funding. Public Safety LOIT funds are used to cover the personnel costs of police officers and firefighters. Receipts of Public Safety LOIT tax revenue commenced in January 2010. The revenue collected in fiscal 2014 of \$6,385,841 increased by \$490,401 or 8.3% compared to 2013. The decrease in fund balance in the amount of \$786,655 during 2014 is the result of increased costs for police and fire personnel and was a planned spend-down of monies accumulated in the fund for this purpose.

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

The COIT fund balance decreased by \$281,886 during 2014, due to higher expenditures for the curb and sidewalk program and information technology. The City has operationally sequestered COIT funds for use in major capital and construction funding initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, information technology costs, city-wide expenditures like telephone and electricity for street lights, and certain debt service payments.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

As of December 31, 2014, the COIT Fund balance of \$16,516,882 included assigned fund balance of \$16,341,883 and nonspendable fund balance of \$174,999, primarily for property held for resale.

The EDIT fund balance decreased by \$837,206 during 2014 due to expenses related to initiatives of the highest priority such as the commitment of demolition of vacant and abandoned buildings and operating transfers to the Code Enforcement and Animal Care & Control Departments. The City has operationally sequestered EDIT funds for use in major economic development initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, operational costs of the street department, and certain debt service payments.

As of December 31, 2014, the EDIT fund balance of \$10,327,716 included assigned fund balance of \$10,057,715 and nonspendable fund balance of \$270,001, consisting of property held for resale.

The fund balance in the **TIF Airport Fund** increased by \$5,350,191 during 2014. Revenue increased by \$2,983,162 due to increased property tax collections and economic development within the tax increment financing district. Actual expenditures increased by \$622,670 due to continuation of projects into 2014.

As of December 31, 2014, the TIF Airport Fund balance of \$41,365,210 included \$8,835,659 in property held for resale, and \$32,529,551 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 \$645 million in private investment since its inception.

During 2014, the fund balances in **Nonmajor Governmental funds** decreased by \$5,259,308 due primarily to expenditures of \$4,172,162 in the Major Moves Fund for the smart-streets (two-way streets) program and \$2,325,109 in the Loss Recovery Fund for the vacant and abandoned building initiative and other environmental projects. These were planned uses of accumulated cash reserves.

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Governmental Fund Revenue

The following schedule presents a summary of governmental fund revenue for the year ended December 31, 2014 with comparison to the prior year:

	2014	% of	2013	% of
	Actual	Total	Actual	Total
<u>Tax Based</u>				
General property	\$ 69,221,468	47.9%	\$ 72,018,651	47.6%
County option income	15,025,840	10.4%	13,739,325	9.1%
County economic development	8,796,821	6.1%	8,177,352	5.4%
Professional sports development	588,054	0.4%	649,996	0.4%
Community revitalization district	-	0.0%	244,623	0.2%
Total Tax	93,632,183	64.8%	94,829,947	62.7%
<u>Non-Tax Based</u>				
Licenses and permits	141,565	0.1%	177,019	0.1%
Intergovernmental	30,663,505	21.1%	29,227,759	19.4%
Charge for services	10,628,976	7.4%	12,320,498	8.2%
Fines and forfeitures	563,999	0.4%	660,841	0.4%
Interest income	955,376	0.7%	762,270	0.5%
Donations	-	0.0%	367,825	0.2%
Other	7,904,187	5.5%	12,806,315	8.5%
Total Non-Tax Based	50,857,608	35.2%	56,322,527	37.3%
Total Revenue	\$ 144,489,791	100.0%	\$ 151,152,474	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% of the true tax value. The amount of property tax levied (billed to property owners) is further restricted by State of Indiana-enacted property tax legislative reform, the so-called "circuit breaker" property tax caps in 2009, to no more than 1.0% (homestead), 2.0% (other residential/rental) or 3.0% (commercial/industrial) of gross assessed valuation. Property tax revenue includes taxes collected on behalf of the following funds: General Fund, Parks and Recreation Fund, Cumulative Capital Development Fund, Redevelopment Tax Incremental Financing (TIF) Funds, Excess Levy Fund, and a special levy to cover debt service at the former College Football Hall of Fame building.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

The City recognizes the need to further diversify the revenue stream and to reduce its dependency on general property taxes to ensure that a broad base of users of city services, including nonresidents who work in the City, share in the funding of basic City services. As a result of the need to diversify the revenue stream, the City of South Bend Common Council and Saint Joseph County Council adopted an additional local option income tax of 0.95% during 2009, increasing the tax rate from 0.8% to 1.75%. The local option income tax increase consisted of three components: 0.2% increase in the economic development income tax, a 0.25% public safety local option income tax and a 0.5% property tax relief local option income tax.

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

Governmental Fund Expenditures

The City accounts for government fund expenditures in seven functional categories as follows: (1) general government, (2) public safety, (3) highways and streets, (4) 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, 2014 with comparison to the prior year.

	2014	% of	2013	% of
	Actual	Total	Actual	Total
General government	\$ 8,022,688	5.2%	\$ 7,154,965	4.7%
Public safety	66,927,250	43.4%	64,041,549	41.9%
Highways and streets	10,441,957	6.8%	9,769,942	6.4%
Community and economic development	7,309,130	4.7%	8,068,458	5.3%
Culture and recreation	13,948,089	9.0%	13,956,025	9.1%
Debt service	18,243,049	11.8%	19,121,148	12.5%
Capital outlay	29,407,934	19.1%	30,748,663	20.1%
Total Expenditures	\$ 154,300,097	100.0%	\$ 152,860,750	100.0%

Government fund expenditures in fiscal 2014 of \$154,300,097 increased by \$1,439,347 or 0.9% in comparison to government fund expenditures in fiscal 2013.

Capital outlay expenditures decreased by \$1,340,729 during 2014 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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Public Safety expenditures increased \$2,885,701 or 4.5% due to higher personnel and health insurance costs. In addition, there was less grant funding available for police and fire programs. Highways and Street expenditures increased by \$672,015 as the curb and sidewalk program was expanded and additional work on street maintenance was performed.

Economic development spending decreased \$759,328 as certain projects planned for 2014 were delayed until 2015 due to developer timetables and needs.

Public Safety expenditure continues to be the primary use of government fund resources with 43.4% of expenditures used for this purpose in fiscal 2014. Public safety spending is followed by capital outlay expenditures (19.1%), debt service (11.8%), culture and recreation (9.0%), highways and streets (6.8%), general government (5.2%), and economic development operating (4.7%). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, City Attorney, Controller, Engineering and other administrative offices.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Proprietary funds

Condensed Statement of Net Position Revenue, Expenses, and Changes in Fund Net Position As of December 31, 2014

	Water Utility	Wastewater Utility	Century Center	Other	Total Enterprise	Internal Service
Total assets	\$ 75,319,862	\$ 193,908,225	\$ 17,935,423	\$ 15,176,977	\$ 302,340,487	\$ 14,421,734
Total deferred outflows	117,927	558,649	-	562,654	1,239,230	-
Total liabilities	22,262,182	99,094,340	353,942	4,362,443	126,072,907	5,813,846
Total deferred inflows	-	-	431,250	7,970	439,220	-
Net position:						
Net investment in capital assets	41,681,472	69,426,163	15,400,219	10,177,957	136,685,811	1,281,201
Restricted for:						
Depreciation fund	3,135,399	3,747,697	-	-	6,883,096	-
Debt service fund	4,650	789,489	-	-	794,139	-
Customer deposit fund	1,478,773	1,505,378	-	-	2,984,151	-
Cash with fiscal agent	32,120	76,667	-	-	108,787	-
Bond reserve fund	1,612,825	7,286,832	-	-	8,899,657	-
Operating reserve fund	2,081,600	3,416,919	-	-	5,498,519	-
Capital outlay	-	-	1,418,663	-	1,418,663	-
Unrestricted	3,148,768	9,123,389	331,349	1,191,261	13,794,767	7,326,687
Total net position	53,175,607	95,372,534	17,150,231	11,369,218	177,067,590	8,607,888
Operating revenues	14,373,176	34,009,117	2,227,171	9,248,842	59,858,306	23,618,777
Operating expenses	11,985,784	20,401,253	4,844,694	12,002,395	49,234,126	25,466,031
Operating income (loss)	2,387,392	13,607,864	(2,617,523)	(2,753,553)	10,624,180	(1,847,254)
Nonoperating rev (exp)	(990,529)	(5,042,957)	1,598,849	(581,010)	(5,015,647)	30,040
Income (loss) before contributions and transfers	1,396,863	8,564,907	(1,018,674)	(3,334,563)	5,608,533	(1,817,214)
Capital contributions	-	-	106,333	2,629,185	2,735,518	16,017
Transfers in	-	-	-	2,576,545	2,576,545	-
Transfers out	(1,618,848)	(2,914,332)	-	-	(4,533,180)	-
Change in net position	(221,985)	5,650,575	(912,341)	1,871,167	6,387,416	(1,801,197)
Total net position – beginning	53,397,592	89,721,959	18,062,572	9,498,051	170,680,174	10,409,085
Total net position – ending	\$ 53,175,607	\$ 95,372,534	\$ 17,150,231	\$ 11,369,218	\$ 177,067,590	\$ 8,607,888

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 Building Department, Parking Garage, Solid Waste and Blackthorn Golf Course) are combined into a single, aggregated presentation. As of January 1, 2014, the Consolidated Building Fund also included the Code Enforcement department with its subsidiary, Animal Care & Control.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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

As of December 31, 2014, City enterprise funds reported a net position of \$177,067,590, an increase of \$6,387,416 or 3.7% from December 31, 2013.

At December 31, 2014, net position includes net investment in capital assets of \$136,685,811, restricted net position of \$26,587,012 and unrestricted of \$13,794,767.

During 2014, the Water Works experienced a decrease in net position of \$221,985 while the Wastewater utility experienced an increase of \$5,650,575. The water utility experienced increased revenues of \$589,475 while transmission and distribution/pumping expense decreased by \$2,259,156. The Wastewater utility experienced an increase in revenue of \$2,083,039 and operating expense increased by \$2,607,777. Through a series of sewer rate increases approved by the South Bend Common Council, the Wastewater utility continues to build its fund balances in order to pay for the mandated Long Term Control Plan, a multi-year program being built by the City to control wastewater overflow events.

During 2014, **Century Center** experienced a decrease in net position of \$912,341 as the facility transitioned to a new management company, SMG, in July 2013. In 2013, SMG contributed \$575,000 to the facility to provide some much-needed equipment upgrades. The capital contribution is being amortized to revenue over the course of the initial contract which expires June 30, 2016.

Nonmajor Enterprise Funds experienced an increase in net position of \$1,871,167 during 2014. The Parking Garage Fund reported a decrease in net position of \$637,289 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 \$681,996 as the result of improved golf fee revenue and the adjustment of interfund loans. (The course was sold to a private developer in March 2015). The Consolidated Building Fund reported an increase in net position of \$2,340,595 with the addition of the Code Enforcement and Animal Care & Control Departments, along with funding from the EDIT Fund. The Solid Waste Fund reported a decrease in net position of \$514,135 as the cost of service increased without a requisite rate increase. The last solid waste fee increase was during 2007 and a fee increase is being planned for 2015.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

As of December 31, 2014, City's internal service funds reported a net position of \$8,607,888, a decrease of \$1,801,197 or -17.3% compared to 2013. The Liability Insurance Fund decreased its net position by \$478,367 in 2014 as the result of high claims. The Central Services Fund increased its net position by \$80,188. The Self-Funded Employee Benefits Fund had a decrease in its net position of \$1,458,246 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 and is planning to offer a near-site employee health clinic during 2015.

Fiduciary Funds

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

	<u>Pension Trust</u>	<u>Private Purpose Trust</u>	<u>Agency</u>
Total assets	\$ 1,750,191	\$ 28,379	\$ 2,175,439
Total liabilities	367	-	2,175,439
Total net position	1,749,824	28,379	-
Total additions	11,252,498	127	-
Total deductions	12,135,121	8,658	-
Changes in net position	(882,623)	(8,531)	-

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

The decline in the net asset position of the pension trust is the result of timing differences in the payment of pension benefits and the contributions received from the State of Indiana, as well as the cost of healthcare benefits to pension members which are not covered by State contributions.

General Fund Budgetary Highlights

The City prepares an annual budget for General Fund expenditures, which is subject to City of South Bend Common Council approval for adoption, before November 1 of the year preceding the budget period, according to state statute concerning the annual budget of second class cities and towns. The Common Council adopted the 2014 budget at its meeting held in October 2013.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

The General Fund budget applicable for fiscal 2014 is reported as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenue	\$ 55,453,616	\$ 54,882,073	\$ 55,106,216	\$ 224,143
Expenditures	55,416,768	56,954,789	55,423,268	1,531,521
Surplus (deficit)	36,848	(2,072,716)	(317,052)	1,755,664

General Fund revenue was originally budgeted at \$55,453,616 for fiscal 2014. During the year, the General Fund revenue budget was decreased by \$571,543 to \$54,882,073. 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 2014, the General Fund collected \$55,106,216 in revenue on a budgetary basis, a surplus over the final budget level of \$224,143. The primary reason for the revenue pickup was a change in property tax collections that was higher than budgeted.

General Fund expenditures were originally budgeted at \$55,416,768 for fiscal 2014. During the year, the General Fund expenditure budget was increased \$1,538,021 to \$56,954,789. Additional appropriations were passed for Fire Department overtime, Common Council legal expenditures and other purposes. Carryforward of unspent encumbrances from 2013 also increase the 2014 amended budget.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels. Budget amendments for cost-neutral redistribution between expense categories (i.e., personnel, supplies, services, capital) were submitted to Common Council three times during 2014, as required to adjust the budget 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, 2014, amounted to \$55,423,268. The expenditures and commitments as of year-end December 31, 2014 are less than the 2014 General Fund expenditure budget by \$1,531,524 or 2.7%. The largest savings were in the police, legal and administration/finance department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Statement of Capital Assets

	Governmental Activities		Business type Activities		Government-wide Activities	
	2014	2013	2014	2013	2014	2013
Assets not depreciated						
Land	\$ 15,106,806	\$ 15,883,485	\$ 3,773,864	\$ 3,024,582	\$ 18,880,670	\$ 18,908,067
Construction in progress	3,698,336	-	17,242,386	13,925,011	20,940,722	13,925,011
Total	18,805,142	15,883,485	21,016,250	16,949,593	39,821,392	32,833,078
Assets depreciated						
Buildings	130,746,059	130,068,334	85,003,118	82,972,550	215,749,177	213,040,884
Non-building improvements	16,616,553	16,281,242	29,427,578	26,380,406	46,044,131	42,661,648
Machinery and equipment	50,903,040	46,353,978	32,250,580	30,211,994	83,153,620	76,565,972
Roads and Infrastructure	431,536,099	421,539,956	197,923,650	195,443,128	629,459,749	616,983,084
Total Cost	629,801,751	614,243,510	344,604,926	335,008,078	974,406,677	949,251,588
Accumulated depreciation						
Buildings	43,779,147	40,365,200	35,712,273	33,316,084	79,491,420	73,681,284
Non-building improvements	8,708,806	8,031,397	6,982,898	5,728,277	15,691,704	13,759,674
Machinery and equipment	30,799,186	28,077,898	22,712,559	21,578,145	53,511,745	49,656,043
Roads	280,745,718	269,277,787	64,016,923	59,840,599	344,762,641	329,118,386
Total	364,032,857	345,752,282	129,424,653	120,463,105	493,457,510	466,215,387
Net Depreciated Assets	265,768,894	268,491,228	215,180,273	214,544,973	480,949,167	483,036,201
Net Capital Assets	\$ 284,574,036	\$ 284,374,713	\$ 236,196,523	\$ 231,494,566	\$ 520,770,559	\$ 515,869,279

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 \$629,459,749 includes estimated costs derived primarily from the City's 2006 implementation of GASB Statement No. 34, which required the retroactive reporting of infrastructure capital assets. All other assets are recorded at historical cost.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Major Capital Asset Project Spending in 2014

Improvements			
Road improvements	\$	1,913,610	Continued project
Economic redevelopment		1,784,726	Continued project
Water utility		2,565,058	Continued project
Sewer separation projects		2,852,725	Continued project
M&E			
Wastewater digester upgrade		6,896,354	Continued project
Wastewater clarifier upgrades		4,256,644	Continued project
Other wastewater projects		671,608	New projects

Capital Assets Analysis

As of December 31, 2014, government-wide capital assets were valued at \$520,770,559, net of accumulated depreciation, an increase of \$4,901,281 or 1.0% since December 31, 2013. Construction in Progress increased by \$7,015,711, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$2,114,430, net of depreciation, since December 31, 2014. On January 1, 2013, the City instituted a new capitalization policy that included significantly higher thresholds for expenditures to qualify as capital assets. Consequently, many purchases formerly considered as capital assets no longer qualify as such. The asset decrease is the result of fewer assets being added to the register as those assets that remain continue to depreciate.

At December 31, 2014, the cost of Roads & Infrastructure (\$629,459,749) was the major asset class followed by Buildings (\$215,749,177). Major new acquisitions include completed road projects (\$8.8 million), sewer separation projects (\$6.1 million) and the new Fire Training Center (\$3.6 million).

Total depreciation expense for 2014 was \$29,930,159, as compared to \$29,559,898 for 2013.

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Debt Administration

Outstanding debt principal as of December 31, 2014 was \$235,085,870, a decrease of \$16,596,408 or -6.6%. City outstanding debt includes revenue bonds, mortgage bonds, notes and loans payable and capital leases.

Type	Beginning	Additions	Retirements	Ending
Revenue bonds	\$ 208,294,789	\$ 6,097,697	\$ (18,320,100)	\$ 196,072,386
Mortgage bonds	23,626,754	-	(1,814,602)	21,812,152
Notes and loans	7,151,564	500,000	(2,239,409)	5,412,155
Capital leases	12,609,171	2,443,289	(3,263,283)	11,789,177
Total Debt	\$ 251,682,278	\$ 9,040,986	\$ (25,637,394)	\$ 235,085,870

On June 3, 2014, the South Bend Redevelopment District issued \$3,440,000 in refunding revenue bonds with an average interest rate of 2.75% to currently refund the remainder of its 2002 Redevelopment Special Taxing District bonds to take advantage of favorable interest rates and lower future debt service payments. In so doing, the City saved \$283,285 in debt service costs over the remaining life of the bonds. In 2014, the City entered into an installment purchase agreement in the amount of \$500,000 for the former Synagogue building at Four Winds Field. In addition, during 2014, the City entered into an interlocal agreement with Saint Joseph County and the City of Mishawaka for the consolidation of its Public Safety Answering Point (PSAP) 911 communications center, as mandated by Indiana State law. As part of this interlocal agreement, the City is guaranteeing repayment of a percentage of the bonds issued (\$2,657,697) for construction of a new PSAP center and related technology improvements.

During 2014, the City entered into capital lease agreements in the amount of \$2,443,289 to purchase certain vehicles, copiers, and equipment. The lease terms are typically for five years with semi-annual debt service paid from the operating budgets of the user departments. Capital lease financing is used to acquire police vehicles, public works vehicles, golf carts, computer replacements, copiers and other vehicles and equipment. The City solicits competitive financing proposals for lease financing from local and national companies and the interest rate achieved during 2014 was less than 2%.

Under the Indiana Constitution and State statute, the City's general obligation bonded debt and certain other debt is subject to a legal limitation based upon 2% of total assessed value of real and personal property. The City had no general obligation bonded debt outstanding at December 31, 2014 and none of the above debt issuance amounts are subject to this debt limitation. A calculation of the City's legal debt limitation can be found in the statistical debt capacity section of this document.

In 2015, the City plans to continue issuing refunding bonds as appropriate to take advantage of lower interest rates and the refunding of the 2008 Eddy Street Commons bonds is currently being planned.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Additional information on debt can be found in the notes to the financial statements in Note 8 - Leases and Note 9 - Long-term Debt.

Significant Subsequent Events

On January 26, 2015, the Common Council approved the issuance of Parks and Recreation Committee (PARC) bonds for \$5.58 million to be used for improvements to the City's parks and recreation facilities. The bonds, which are expected to sell in July 2015, will be repaid from EDIT revenues.

On February 9, 2015, the Common Council approved the issuance, by the Redevelopment Commission, of lease rental revenue bonds for \$25 million, to be used for various public works construction projects related to the City's Smart Streets redevelopment initiative. Lease payments to the Redevelopment Authority will be paid from TIF revenues over 20 years, which will be used for the bonds' debt service. On March 24, 2015, the bonds were sold on the open market and garnered a premium of \$150,821.

On March 2, 2015, the City sold Blackthorn golf course to a private investor for \$1.655 million. After the payment to the South Bend Regional Airport Authority for its share of the proceeds, the City received a net payment of \$1,472,130 as the complete settlement. The sale rendered two capital leases totaling \$52,365 issued from the Airport TIF fund uncollectible. These balances were written off in 2014.

On March 3, 2015, the City's Board of Public Works approved a contract worth \$4.8 million for energy-saving upgrades to the Century Center, the city-owned convention center. The contract is expected to last 18 months and will be paid from a combination of hotel/motel taxes, cash on hand, a Qualified Energy Conservation Bond and savings from reduced utility costs.

Economic Factors and 2016 Budget

Economic Factors

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

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

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

The Circuit Breaker legislation was phased in commencing in fiscal 2009 and has led to significant reductions in property tax revenues available to fund city governmental operations since then.

In 2014, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$28.7 million in taxable property tax levy due to the circuit breaker caps.

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

Management of the City of South Bend will continue to manage the financial affairs from a posture of fiscal conservatism similar to the management practices engaged during fiscal 2014.

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, as the Congressional Budget Office (CBO) predicts a growth in Gross Domestic Product (GDP) of 3.4% for 2015.

2016 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. At its 2016 Budget Kickoff Meeting held on May 28, 2015, the Mayor announced a "zero growth" budget expenditure target goal for all funds supported by property and income tax revenue.

Through its newly-created Office of Innovation, the City continues to pursue reengineering programs targeted to create efficiency and cost improvements within City operations. These include purchasing process reengineering, back-office process improvements for human resources 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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

The City is committed to creating a budget for fiscal 2016 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 2016 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 a 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 with cloud services data center and disaster recovery solutions on a managed analytics platform. Data Realty employs over 20 employees and committed over \$15 million in private investment. In October 2014, ground was broken on two new multi-tenant buildings that will include a \$36 million joint project between General Electric and the University of Notre Dame. The new turbo machinery facility is scheduled to be operational by summer 2016.
- **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.
- **Western Ave./Lincoln Way 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.
- **Smart Streets** - The City has undertaken the reversion of some of its downtown streets from one-way to two-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. In 2015, the City will accelerate the project with the issuance of a \$25 million bond to fund these improvements.
- **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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

- **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. In 2015, the Department of Community Investment is committed to the creation of 595 new jobs with \$75 million in new private investment.

Requests for Information

This Management's Discussion and Analysis, as contained within the City of South Bend Comprehensive Annual Financial Report, is intended to provide readers with a general overview of the financial condition of the City of South Bend as of December 31, 2014. 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 574-235-7678

Facsimile 574-235-9928

Email jmurphy@southbendin.gov

City of South Bend
June 30, 2015

City of South Bend, Indiana

Statement of Net Position December 31, 2014

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 48,814,682	\$ 4,578,784	\$ 53,393,466
Investments	133,445,883	11,926,476	145,372,359
Receivables:			
Taxes	614,722	-	614,722
Accounts	1,416,794	3,830,878	5,247,672
Interest	193,294	55,810	249,104
Intergovernmental	1,256,750	-	1,256,750
Loans	7,388,822	-	7,388,822
Internal balances	1,457,525	(1,457,525)	-
Inventory	902,603	453,709	1,356,312
Prepaid expenses	383,219	83,246	466,465
Restricted assets	60,300	45,192,664	45,252,964
Property held for resale	18,457,092	-	18,457,092
Capital assets:			
Assets not subject to depreciation	18,805,142	21,016,250	39,821,392
Assets subject to depreciation	265,768,894	215,180,273	480,949,167
Total assets	498,965,722	300,860,565	799,826,287
Deferred Outflows of Resources			
Unamortized loss on refunding	-	676,576	676,576
Unamortized loss on sale/leaseback	-	562,654	562,654
Total deferred outflows of resources	-	1,239,230	1,239,230
Liabilities			
Accounts payable	3,871,199	2,456,205	6,327,404
Due to other governmental units	186,176	-	186,176
Performance deposits payable	133,940	1,528,263	1,662,203
Accrued liabilities and other:			
Accrued payroll payable	3,037,905	961,851	3,999,756
Accrued interest payable	982,536	276,785	1,259,321
Taxes payable	1,946	-	1,946
Customer deposits payable	-	108,477	108,477
Other current payables	11,473	7,350	18,823
Noncurrent liabilities:			
Due within one year:			
Accrued interest payable from restricted assets	891,754	-	891,754
Compensated absences	3,114,768	461,110	3,575,878
Notes and loans payable	953,636	335,765	1,289,401
Mortgage bonds payable	1,852,965	67,035	1,920,000
Claims payable	5,024,574	-	5,024,574
Capital leases	2,505,128	1,032,337	3,537,465
Revenue bonds payable	7,953,378	7,080,000	15,033,378
Due in more than one year:			
Compensated absences	1,361,306	-	1,361,306
Notes and loans payable	663,855	3,458,899	4,122,754
Mortgage bonds payable	19,478,583	413,569	19,892,152
Capital leases	5,976,247	2,275,465	8,251,712
Net OPEB obligation	10,043,305	-	10,043,305
Net pension obligation	60,258,010	-	60,258,010
Revenue bonds payable	76,909,134	104,129,874	181,039,008
Total liabilities	205,211,818	124,592,985	329,804,803

The Notes to Financial Statements are an
Integral Part of this Statement.

City of South Bend, Indiana

Statement of Net Position (Continued) December 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Resources			
Unamortized gain on refunding	\$ 309,120	\$ -	\$ 309,120
Unamortized gain on sale/leaseback	-	7,970	7,970
Unamortized service agreement	-	431,250	431,250
Total deferred inflows of resources	309,120	439,220	748,340
Net Position			
Net investment in capital assets	168,275,521	136,685,811	304,961,332
Restricted for:			
Debt service	5,445,689	794,139	6,239,828
Depreciation fund	-	6,883,096	6,883,096
Customer deposit fund	-	2,984,151	2,984,151
Cash with fiscal agent	-	108,787	108,787
Bond reserve fund	3,278,189	8,899,657	12,177,846
Operating reserve fund	-	5,498,519	5,498,519
Capital outlay	-	1,418,663	1,418,663
Unrestricted	116,445,385	13,794,767	130,240,152
Total net position	\$ 293,444,784	\$ 177,067,590	\$ 470,512,374

City of South Bend, Indiana

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 19,013,453	\$ 1,451,438	\$ 693,306	\$ -
Public safety	68,783,155	4,992,228	402,062	-
Highways and streets	13,031,500	728,343	-	-
Community and economic development	19,780,791	485,938	1,520,383	-
Culture and recreation	16,802,311	3,815,920	588,054	-
Interest on long-term debt	2,497,849	-	-	-
Total governmental activities	139,909,059	11,473,867	3,203,805	-
Business-type activities:				
Water Utility	13,020,610	14,373,176	-	-
Wastewater Utility	25,521,753	34,009,117	-	-
Century Center	4,747,838	2,227,171	-	95,834
Consolidated Building	3,242,320	1,387,571	-	-
Parking Garage	1,660,596	1,017,218	-	-
Solid Waste	5,811,526	5,295,712	-	-
Blackthorn Golf Course	1,874,962	1,548,341	-	-
Total business-type activities	55,879,605	59,858,306	-	95,834
Total primary government	<u>\$ 195,788,664</u>	<u>\$ 71,332,173</u>	<u>\$ 3,203,805</u>	<u>\$ 95,834</u>

General revenues:

Property taxes
Income taxes
Grants and contributions not restricted to specific programs
Investment income
Other miscellaneous income
Gain on sale of fixed assets

Total general revenues

Transfers

Change in Net Position

Net Position - Beginning of year (as restated)

Net Position - End of year

Statement of Activities
Year Ended December 31, 2014

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (16,868,709)	\$ -	\$ (16,868,709)
(63,388,865)	-	(63,388,865)
(12,303,157)	-	(12,303,157)
(17,774,470)	-	(17,774,470)
(12,398,337)	-	(12,398,337)
(2,497,849)	-	(2,497,849)
(125,231,387)	-	(125,231,387)
-	1,352,566	1,352,566
-	8,487,364	8,487,364
-	(2,424,833)	(2,424,833)
-	(1,854,749)	(1,854,749)
-	(643,378)	(643,378)
-	(515,814)	(515,814)
-	(326,621)	(326,621)
-	4,074,535	4,074,535
(125,231,387)	4,074,535	(121,156,852)
69,221,468	-	69,221,468
23,822,661	-	23,822,661
29,061,942	-	29,061,942
951,901	128,168	1,080,069
6,718,723	1,501,664	8,220,387
28,476	-	28,476
129,805,171	1,629,832	131,435,003
(683,049)	683,049	-
3,890,735	6,387,416	10,278,151
289,554,049	170,680,174	460,234,223
\$ 293,444,784	\$ 177,067,590	\$ 470,512,374

City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
Assets					
Cash and cash equivalents	\$ 6,568,258	\$ 810,512	\$ 299,599	\$ 3,463,734	\$ 2,356,111
Investments	22,081,966	2,684,349	992,246	11,471,608	7,803,249
Receivables:					
Taxes	70,642	7,103	-	-	-
Accounts	747,573	2,737	-	2,260	-
Interest	31,851	3,789	1,447	16,723	11,342
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	148	-	-	-	-
Advances to other funds	558,304	-	-	2,027,973	-
Inventory	-	52,385	-	-	-
Property held for resale	-	-	-	174,999	270,001
Restricted assets	-	-	-	-	-
Total assets	\$ 30,058,742	\$ 3,560,875	\$ 1,293,292	\$ 17,157,297	\$ 10,440,703
Liabilities					
Accounts payable	\$ 286,793	\$ 27,552	\$ -	\$ 632,582	\$ 112,490
Due to other governmental units	-	-	-	-	-
Due to other funds	17,290	3,120	-	-	497
Advances from other funds	-	-	-	-	-
Performance deposits payable	82,906	-	-	-	-
Accrued liabilities and other:					
Accrued payroll payable	2,083,554	244,897	284,728	7,833	-
Taxes payable	794	1,152	-	-	-
Other current payables	-	1,007	-	-	-
Total liabilities	2,471,337	277,728	284,728	640,415	112,987
Fund Balances					
Nonspendable	558,304	52,385	-	174,999	270,001
Restricted	-	3,230,762	1,008,564	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	16,341,883	10,057,715
Unassigned	27,029,101	-	-	-	-
Total fund balances	27,587,405	3,283,147	1,008,564	16,516,882	10,327,716
Total liabilities and fund balances	\$ 30,058,742	\$ 3,560,875	\$ 1,293,292	\$ 17,157,297	\$ 10,440,703

**Governmental Funds
Balance Sheet
December 31, 2014**

TIF Airport	Nonmajor Funds	Total
\$ 7,272,684	\$ 25,236,118	\$ 46,007,016
24,086,540	55,113,664	124,233,622
536,082	895	614,722
-	627,559	1,380,129
34,875	79,848	179,875
-	1,256,750	1,256,750
-	7,388,822	7,388,822
-	1,899	2,047
1,472,130	6,127,495	10,185,902
-	-	52,385
8,835,659	9,176,433	18,457,092
-	60,300	60,300
\$ 42,237,970	\$ 105,069,783	\$ 209,818,662
\$ 321,726	\$ 1,960,663	\$ 3,341,806
-	186,176	186,176
-	1,956	22,863
500,000	8,213,772	8,713,772
51,034	-	133,940
-	299,002	2,920,014
-	-	1,946
-	10,466	11,473
872,760	10,672,035	15,331,990
8,835,659	15,474,263	25,365,611
32,529,551	57,434,567	94,203,444
-	16,413,498	16,413,498
-	10,776,249	37,175,847
-	(5,700,829)	21,328,272
41,365,210	94,397,748	194,486,672
\$ 42,237,970	\$ 105,069,783	\$ 209,818,662

City of South Bend, Indiana

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2014

Fund Balance Reported in Governmental Funds	\$ 194,486,672
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 are not reported in the funds	283,286,562
Prepaid expenses are not available to pay for current period expenditures, and therefore are deferred in the funds	178,158
Deferred inflows on refunding are not due and payable in the current period and are not reported in the funds	(309,120)
Notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases are not due and payable in the current period and are not reported in the funds	(116,286,653)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,874,227)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(4,343,181)
Other long-term liabilities, such as net OPEB obligations and net pension obligations, do not present a claim on current financial resources and are not reported as fund liabilities	(70,301,315)
Internal service funds are included as part of governmental activities	<u>8,607,888</u>
Net Position of Governmental Activities	<u>\$ 293,444,784</u>

City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
Revenue					
Property taxes	\$ 36,579,586	\$ 7,336,959	\$ -	\$ -	\$ -
Income taxes	-	-	6,380,029	8,645,811	8,796,821
Licenses and permits	141,565	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	15,853,455	653,704	-	-	-
Charges for services	3,309,481	1,758,355	-	521,748	-
Fines and forfeitures	19,917	675	-	-	354,660
Investment income	77,747	8,957	5,812	51,723	36,007
Rental income	-	-	-	-	-
Other revenue	5,846,199	297,079	-	97	29,930
Total revenue	61,827,950	10,055,729	6,385,841	9,219,379	9,217,418
Expenditures					
Current:					
General government	5,262,825	-	-	-	-
Public safety	58,873,932	-	7,172,496	-	-
Highways and streets	1,011,635	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	1,332,720	11,175,563	-	-	-
Capital outlay	-	14,448	-	6,546,608	5,338,119
Debt service:					
Principal	12,302	302,753	-	853,897	760,000
Interest on long-term debt	2,028	12,254	-	184,481	122,520
Total expenditures	66,495,442	11,505,018	7,172,496	7,584,986	6,220,639
Excess of Revenue (Under) Over Expenditures	(4,667,492)	(1,449,289)	(786,655)	1,634,393	2,996,779
Other Financing Sources (Uses)					
Debt issuance	13,106	14,448	-	108,167	2,657,697
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	4,671,422	729,389	-	-	-
Transfers out	(98,544)	(96,819)	-	(2,024,446)	(6,491,682)
Payment to bond refunding escrow agent	-	-	-	-	-
Total other financing sources (uses)	4,585,984	647,018	-	(1,916,279)	(3,833,985)
Net Change in Fund Balances	(81,508)	(802,271)	(786,655)	(281,886)	(837,206)
Fund Balances - Beginning of year	27,668,913	4,085,418	1,795,219	16,798,768	11,164,922
Fund Balances - End of year	\$ 27,587,405	\$ 3,283,147	\$ 1,008,564	\$ 16,516,882	\$ 10,327,716

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2014

TIF Airport	Nonmajor Funds	Total
\$ 13,649,252	\$ 11,655,671	\$ 69,221,468
-	-	23,822,661
-	-	141,565
-	588,054	588,054
-	14,156,346	30,663,505
-	5,039,392	10,628,976
92,430	96,317	563,999
84,724	690,406	955,376
1,400	25,000	26,400
98,001	1,606,481	7,877,787
<u>13,925,807</u>	<u>33,857,667</u>	<u>144,489,791</u>
-	2,759,863	8,022,688
-	880,822	66,927,250
-	9,430,322	10,441,957
-	7,309,130	7,309,130
-	1,439,806	13,948,089
5,019,104	12,489,655	29,407,934
1,590,000	9,363,878	12,882,830
500,428	4,538,508	5,360,219
<u>7,109,532</u>	<u>48,211,984</u>	<u>154,300,097</u>
6,816,275	(14,354,317)	(9,810,306)
3,440,000	2,203,487	8,436,905
171,851	-	171,851
8,369	20,107	28,476
25,415	13,052,699	18,478,925
(1,629,514)	(6,181,284)	(16,522,289)
(3,482,205)	-	(3,482,205)
<u>(1,466,084)</u>	<u>9,095,009</u>	<u>7,111,663</u>
5,350,191	(5,259,308)	(2,698,643)
36,015,019	99,657,056	197,185,315
<u>\$ 41,365,210</u>	<u>\$ 94,397,748</u>	<u>\$ 194,486,672</u>

City of South Bend, Indiana

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2014

Net Change in Fund Balances - Total governmental funds	\$ (2,698,643)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	23,118,129
Depreciation expense	(20,196,972)
Net book value of assets disposed of	(2,721,834)
Prepaid expenses recorded in the statement of net position do not require the use of current financial resources, and therefore are not reported in the fund statements	35,948
Debt proceeds (from notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases) provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(8,436,905)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	12,882,830
Payment to bond refunding agent	3,482,205
Other premium and discount debt adjustments	839,343
Changes in accrued interest payable and other	123,244
Changes in compensated absences reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	708,838
Changes in the net OPEB obligation and net pension obligation reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	(1,702,536)
Internal service funds are included as part of governmental activities - Net change in position	(1,801,197)
Adjustment for items included above:	
Prepaid expenses	(205,061)
Capital outlay and other	202,260
Depreciation expense	121,557
Net book value of assets disposed of	12,841
Repayment of debt principal	5,802
Compensated absences	120,886
Change in Net Position of Governmental Activities	\$ 3,890,735

City of South Bend, Indiana

Proprietary Funds Statement of Net Position December 31, 2014

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 996,875	\$ 2,083,286	\$ 892,875	\$ 605,748	\$ 4,578,784	\$ 2,807,666
Investments	3,301,566	6,899,674	-	1,725,236	11,926,476	9,212,261
Receivables:						
Accounts	832,553	2,386,961	171,806	439,558	3,830,878	36,665
Interest	13,761	39,556	-	2,493	55,810	13,419
Due from other funds	17,692	4,705	-	-	22,397	8,970
Inventory	210,009	194,500	42,856	6,344	453,709	850,218
Prepaid expenses	38,497	32,745	9,004	3,000	83,246	205,061
Total current assets	5,410,953	11,641,427	1,116,541	2,782,379	20,951,300	13,134,260
Noncurrent assets:						
Restricted assets	8,547,648	35,226,353	1,418,663	-	45,192,664	-
Capital assets:						
Assets not subject to depreciation	2,942,009	15,041,539	713,434	2,319,268	21,016,250	-
Assets subject to depreciation	58,419,252	131,998,906	14,686,785	10,075,330	215,180,273	1,287,474
Total noncurrent assets	69,908,909	182,266,798	16,818,882	12,394,598	281,389,187	1,287,474
Total assets	75,319,862	193,908,225	17,935,423	15,176,977	302,340,487	14,421,734
Deferred Outflows of Resources						
Unamortized loss on refunding	117,927	558,649	-	-	676,576	-
Unamortized loss on sale/leaseback	-	-	-	562,654	562,654	-
Total deferred outflows of resources	117,927	558,649	-	562,654	1,239,230	-
Liabilities						
Current liabilities:						
Accounts payable	337,238	1,669,928	121,092	327,947	2,456,205	529,393
Due to other funds	4,809	1,577	-	1,406	7,792	2,759
Performance deposits payable	1,490,826	-	-	37,437	1,528,263	-
Accrued liabilities and other:						
Accrued payroll payable	224,402	321,697	117,723	298,029	961,851	117,891
Accrued interest payable	-	268,632	-	8,153	276,785	63
Customer deposits payable	-	-	108,477	-	108,477	-
Other current payables	-	-	6,650	700	7,350	-
Compensated absences	204,910	256,200	-	-	461,110	132,893
Notes and loans payable	182,053	153,712	-	-	335,765	-
Mortgage bonds payable	-	67,035	-	-	67,035	-
Claims payable	-	-	-	-	-	5,024,574
Capital leases	6,142	315,392	-	710,803	1,032,337	6,273
Revenue bonds payable	1,130,000	5,950,000	-	-	7,080,000	-
Total current liabilities	3,580,380	9,004,173	353,942	1,384,475	14,322,970	5,813,846
Noncurrent liabilities:						
Advances from other funds	-	-	-	1,472,130	1,472,130	-
Notes and loans payable	1,051,224	2,407,675	-	-	3,458,899	-
Mortgage bonds payable	-	413,569	-	-	413,569	-
Capital leases	20,426	749,201	-	1,505,838	2,275,465	-
Revenue bonds payable	17,610,152	86,519,722	-	-	104,129,874	-
Total noncurrent liabilities	18,681,802	90,090,167	-	2,977,968	111,749,937	-
Total liabilities	22,262,182	99,094,340	353,942	4,362,443	126,072,907	5,813,846
Deferred Inflows of Resources						
Unamortized gain on sale/leaseback	-	-	-	7,970	7,970	-
Unamortized service agreement	-	-	431,250	-	431,250	-
Total deferred inflows of resources	-	-	431,250	7,970	439,220	-

The Notes to Financial Statements are an
Integral Part of this Statement.

City of South Bend, Indiana

Proprietary Funds Statement of Net Position (Continued) December 31, 2014

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
Net Position						
Net investment in capital assets	\$ 41,681,472	\$ 69,426,163	\$ 15,400,219	\$ 10,177,957	\$ 136,685,811	\$ 1,281,201
Restricted:						
Depreciation fund	3,135,399	3,747,697	-	-	6,883,096	-
Debt service fund	4,650	789,489	-	-	794,139	-
Customer deposit fund	1,478,773	1,505,378	-	-	2,984,151	-
Cash with fiscal agent	32,120	76,667	-	-	108,787	-
Bond reserve fund	1,612,825	7,286,832	-	-	8,899,657	-
Operating reserve fund	2,081,600	3,416,919	-	-	5,498,519	-
Capital outlay	-	-	1,418,663	-	1,418,663	-
Unrestricted	3,148,768	9,123,389	331,349	1,191,261	13,794,767	7,326,687
Total net position	<u>\$ 53,175,607</u>	<u>\$ 95,372,534</u>	<u>\$ 17,150,231</u>	<u>\$ 11,369,218</u>	<u>\$ 177,067,590</u>	<u>\$ 8,607,888</u>

City of South Bend, Indiana

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2014

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Non major Enterprise	Total	Proprietary Internal Service Fund
Operating Revenue						
Metered revenue	\$ 10,788,782	\$ 33,333,981	\$ -	\$ -	\$ 44,122,763	\$ -
Convention fees	-	-	2,126,537	-	2,126,537	-
Fire protection revenue	1,982,586	-	-	-	1,982,586	-
Licenses and permits	-	-	-	1,191,534	1,191,534	-
Interest and penalty charges	122,820	-	-	-	122,820	-
Parking fees	-	-	100,634	953,065	1,053,699	-
Solid waste fees	-	-	-	4,790,653	4,790,653	-
Employee/Employer contributions	-	-	-	-	-	16,404,400
Charges for sales and services	-	-	-	-	-	7,025,252
Water leak insurance revenue	964,764	-	-	-	964,764	-
Golf course fees	-	-	-	1,548,341	1,548,341	-
Charges to other funds	-	89,279	-	-	89,279	-
Other	514,224	585,857	-	765,249	1,865,330	189,125
Total operating revenue	14,373,176	34,009,117	2,227,171	9,248,842	59,858,306	23,618,777
Operating Expenses						
Cost of water	3,930,091	-	-	-	3,930,091	-
Cost of sewage treatment	-	10,258,316	-	-	10,258,316	-
Other operation and maintenance	-	-	-	9,491,098	9,491,098	6,667,087
General and administration	1,605,873	3,880,262	4,058,811	1,457,896	11,002,842	1,147,314
Insurance claims and premiums	-	-	-	-	-	17,530,073
Plumbing contractors	981,418	-	-	-	981,418	-
Taxes other than income taxes	1,764,653	-	-	-	1,764,653	-
Customer service	1,823,674	175,389	-	73,458	2,072,521	-
Depreciation	1,880,075	6,087,286	785,883	979,943	9,733,187	121,557
Total operating expenses	11,985,784	20,401,253	4,844,694	12,002,395	49,234,126	25,466,031
Operating Income (Loss)	2,387,392	13,607,864	(2,617,523)	(2,753,553)	10,624,180	(1,847,254)
Nonoperating Revenue (Expenses)						
Investment income	44,297	77,543	329	5,999	128,168	44,340
Hotel/Motel tax revenue	-	-	1,313,450	-	1,313,450	-
Interest expense	(818,277)	(3,689,140)	-	(1,114)	(4,508,531)	-
Other nonoperating expenses	-	(1,403,639)	-	-	(1,403,639)	-
(Loss) gain on sale of assets	(311,027)	10,304	-	-	(300,723)	(12,841)
Debt service charge	-	-	-	-	-	(1,459)
Other nonoperating revenue (expenses) - Charges	94,478	(38,025)	96,856	(585,895)	(432,586)	-
Other nonoperating general revenue	-	-	188,214	-	188,214	-
Total nonoperating (expenses) revenue	(990,529)	(5,042,957)	1,598,849	(581,010)	(5,015,647)	30,040
Income (Loss) - Before contributions	1,396,863	8,564,907	(1,018,674)	(3,334,563)	5,608,533	(1,817,214)
Capital Contributions -						
Other capital contributions	-	-	106,333	2,629,185	2,735,518	16,017
Transfers In	-	-	-	2,576,545	2,576,545	-
Transfers Out	(1,618,848)	(2,914,332)	-	-	(4,533,180)	-
Change in Net Position	(221,985)	5,650,575	(912,341)	1,871,167	6,387,416	(1,801,197)
Net Position - Beginning of year	53,397,592	89,721,959	18,062,572	9,498,051	170,680,174	10,409,085
Net Position - End of year	\$ 53,175,607	\$ 95,372,534	\$ 17,150,231	\$ 11,369,218	\$ 177,067,590	\$ 8,607,888

The Notes to Financial Statements are an
Integral Part of this Statement.

City of South Bend, Indiana

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2014

	Enterprise Funds					Governmental
	Water Utility	Wastewater	Century Center	Nonmajor	Total	Proprietary
		Utility				Enterprise
						Fund
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 14,372,460	\$ 33,885,550	\$ 2,127,435	\$ 9,250,918	\$ 59,636,363	\$ 23,632,248
Receipts from interfund services and reimbursements	-	3,678	6,260	-	9,938	-
Payments to suppliers	(4,096,872)	(7,614,881)	(2,026,607)	(6,906,011)	(20,644,371)	(21,675,942)
Payments to employees	(4,360,202)	(7,373,398)	(2,061,831)	(4,076,837)	(17,872,268)	(2,868,392)
Internal activity - Payments to other funds	(9,050)	(712)	-	(5,950)	(15,712)	(66,425)
Payment of taxes other than income taxes	(1,808,051)	-	-	-	(1,808,051)	-
Net cash provided by (used in) operating activities	4,098,285	18,900,237	(1,954,743)	(1,737,880)	19,305,899	(978,511)
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	-	-	-	2,359,625	2,359,625	-
Hotel/Motel tax	-	-	1,313,450	-	1,313,450	-
Other nonoperating revenue	-	-	298,603	-	298,603	-
Other nonoperating expenses	(943,371)	(370,545)	-	-	(1,313,916)	-
Transfers to other funds	(1,618,848)	(2,914,332)	-	-	(4,533,180)	-
Net cash (used in) provided by noncapital financing activities	(2,562,219)	(3,284,877)	1,612,053	2,359,625	(1,875,418)	-
Cash Flows from Capital and Related Financing Activities						
Proceeds from capital debt issued	15,764	259,916	-	328,401	604,081	-
Proceeds from sales of capital assets	957,312	-	3,227	7,728	968,267	(12,841)
Purchase of capital assets	(575,428)	(12,233,023)	(10,500)	(941,983)	(13,760,934)	(28,900)
Principal paid on capital debt	(1,251,588)	(6,320,626)	-	(860,802)	(8,433,016)	(5,802)
Interest paid on capital debt	(769,025)	(3,376,045)	-	(43,204)	(4,188,274)	(693)
Debt service charge	-	(38,025)	-	-	(38,025)	-
Net cash used in capital and related financing activities	(1,622,965)	(21,707,803)	(7,273)	(1,509,860)	(24,847,901)	(48,236)
Cash Flows from Investing Activities						
Interest received on investments	45,673	37,987	329	4,671	88,660	43,399
Purchase of investment securities	(265,503)	-	-	(616,342)	(881,845)	(90,814)
Proceeds from sale and maturities of investment securities	-	3,661,079	-	323,117	3,984,196	542,910
Net cash (used in) provided by investing activities	(219,830)	3,699,066	329	(288,554)	3,191,011	495,495
Net Decrease in Cash and Cash Equivalents	(306,729)	(2,393,377)	(349,634)	(1,176,669)	(4,226,409)	(531,252)
Cash and Cash Equivalents - Beginning of year	3,310,604	18,301,984	2,661,172	1,782,417	26,056,177	3,338,918
Cash and Cash Equivalents - End of year	\$ 3,003,875	\$ 15,908,607	\$ 2,311,538	\$ 605,748	\$ 21,829,768	\$ 2,807,666

City of South Bend, Indiana

Proprietary Funds Statement of Cash Flows (Continued) Year Ended December 31, 2014

	Enterprise Funds					Governmental
	Water Utility	Wastewater	Century Center	Nonmajor	Total	Proprietary
		Utility		Enterprise		Internal Service
						Fund
Statement of Net Position Classification of Cash and Cash Equivalents						
Cash and investments	\$ 4,298,441	\$ 8,982,960	\$ 892,875	\$ 2,330,984	\$ 16,505,260	\$ 12,019,927
Restricted cash and investments	8,547,648	35,226,353	1,418,663	-	45,192,664	-
Less amounts classified as investments	(9,842,214)	(28,300,706)	-	(1,725,236)	(39,868,156)	(9,212,261)
Total cash and cash equivalents	\$ 3,003,875	\$ 15,908,607	\$ 2,311,538	\$ 605,748	\$ 21,829,768	\$ 2,807,666
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 2,387,392	\$ 13,607,864	\$ (2,617,523)	\$ (2,753,553)	\$ 10,624,180	\$ (1,847,254)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	1,880,075	6,087,286	785,883	979,943	9,733,187	121,557
Changes in assets and liabilities:						
Receivables	(716)	(123,567)	(99,736)	2,076	(221,943)	2,818
Due from other funds	20,906	3,678	-	-	24,584	(5,845)
Inventory	(52,529)	(31,102)	(42,856)	15,694	(110,793)	9,318
Prepaid expenses and other assets	(16,227)	4,269	(1,694)	(3,000)	(16,652)	(205,061)
Accounts payable	25,338	(997,222)	(75,102)	(75,890)	(1,122,876)	(255,929)
Due to other funds	(9,050)	(712)	-	(5,950)	(15,712)	412
Estimate of unfiled claims	-	-	-	-	-	1,148,181
Accrued liabilities and other	(136,904)	349,743	96,285	102,800	411,924	53,292
Net cash provided by (used in) operating activities	\$ 4,098,285	\$ 18,900,237	\$ (1,954,743)	\$ (1,737,880)	\$ 19,305,899	\$ (978,511)
Noncash Investing, Capital, and Financing Activities						
Blackthorn advance adjustment	\$ -	\$ -	\$ -	\$ 216,920	\$ 216,920	\$ -
Capital asset contribution	-	-	106,333	2,629,185	2,735,518	16,017

City of South Bend, Indiana

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2014

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 405,392	\$ 6,574	\$ 2,175,439
Investments	1,342,628	21,773	-
Receivables:			
Accounts	177	-	-
Interest	1,994	32	-
Total assets	1,750,191	28,379	<u>\$ 2,175,439</u>
Liabilities			
Accounts payable	181	-	\$ -
Accrued liabilities and other	186	-	301,548
Customer deposits payable	-	-	1,071,032
Police distribution payable	-	-	802,859
Total liabilities	367	-	<u>\$ 2,175,439</u>
Net Position for Pension Benefits and Other Purposes	<u>\$ 1,749,824</u>	<u>\$ 28,379</u>	

City of South Bend, Indiana

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended December 31, 2014

	Pension Trust Funds	Private- Purpose Trust Fund
Additions		
Investment income:		
Interest and dividends	\$ 5,722	\$ 127
Contributions:		
On behalf	11,240,963	-
Other	5,813	-
Total contributions	11,246,776	-
Total additions	11,252,498	127
Deductions		
Benefit payments	12,113,244	-
Administrative expenses	21,877	8,658
Total deductions	12,135,121	8,658
Net Decrease in Net Position	(882,623)	(8,531)
Net Position - Beginning of year	2,632,447	36,910
Net Position - End of year	\$ 1,749,824	\$ 28,379

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of South Bend:

Reporting Entity

The City of South Bend (the "City") was established under the laws of the State of Indiana and operates under a Council-Mayor form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations.

Blended Component Units

The South Bend Redevelopment Authority is a significant blended component unit of the City. Although it is legally separate from the City, the Redevelopment Authority is reported as if it were part of the City because its sole purpose is to finance and construct land, building, and other improvements for use by the City. Financial statements for the Redevelopment Authority are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 12th Floor County-City Building, South Bend, Indiana 46601.

The South Bend Building Corporation, Inc. is also a legally separate nonprofit corporation and a significant blended component unit of the City. The Building Corporation is reported as if it were part of the City because its main purpose is to finance construction and remodeling of City buildings. 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, 12th Floor County-City Building, South Bend, Indiana 46601.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City'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 Saint Joseph County Board of Managers for Hotel-Motel Tax.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Note I - Summary of Significant Accounting Policies (Continued)

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

Governmental Funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following funds as "major" governmental funds:

Note 1 - Summary of Significant Accounting Policies (Continued)

- The General Fund, which is the primary operating fund, accounts for all financial resources used to provide general government services, other than those specifically assigned to 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) Fund 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 property in the district before redevelopment. As of January 1, 2015, this fund has been renamed the River West TIF Fund.

Proprietary Funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following funds as “major” enterprise funds:

- The Water Utility Fund accounts for the operation of the City's water distribution system.
- The Wastewater Utility Fund accounts for the operation of the City'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.

Note I - Summary of Significant Accounting Policies (Continued)

The City's internal service funds are used to 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 activities are accounted for on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- 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 benefit cemetery maintenance.
- The agency funds account for assets held by the City as an agent for employee payroll, pension, and payroll deductions and held for an entertainment center's event deposits.

Interfund Activity: During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Note I - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes, franchise taxes, licenses, and interest associated with the current fiscal period.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - State statute (IC 5-13-9) authorizes the City 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. A “nonparticipating” instrument is one that does not recognize market fluctuations in its valuation.

Debt securities are reported at fair market 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 market value.

Note I - Summary of Significant Accounting Policies (Continued)

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 market value. Other money market investments are reported at fair market value.

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

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

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. Restricted assets also include customer deposits, operating reserves, capital outlay accounts, and debt service reserve funds.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, 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 recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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 noted in the table below.

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.

All land purchases are capitalized regardless of acquisition price. Land is never depreciated.

Major outlays for capital assets and improvements are capitalized when projects have completed the construction phase. 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.

Note I - Summary of Significant Accounting Policies (Continued)

Infrastructure, intangibles, buildings, equipment, roads, and vehicles are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset Class</u>	<u>Capitalization Threshold</u>	<u>Lives (in years)</u>
Buildings and improvements	\$ 100,000	20-30
Large office equipment	10,000	5-10
Vehicles and other equipment	10,000	5-20
Roads - Collectors and residential	250,000	40-50
Utilities infrastructure (large)	250,000	30-99

Long-term Obligations - In the government-wide financial statements and the 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. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The deferred charge on refunding and the unamortized loss related to a sale/leaseback transaction are reported in the enterprise funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note II for additional information related to the sale/leaseback transaction.

Note I - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category: a deferred gain on refunding, an unamortized amount related to a service agreement, and an unamortized gain related to a sale/leaseback transaction.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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.

Note I - Summary of Significant Accounting Policies (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 Common Council, 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. The South Bend Common Council is the highest level of decision-making authority for the non-TIF Funds. The South Bend Redevelopment Commission is the highest level of decision-making authority for the TIF Funds.

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

The detail of the fund balance classifications of the governmental funds for the year ended December 31, 2014 can be found in Note 17.

Note I - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes levied are collected by the County Treasurer and are usually distributed to the City 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.

Pension and Other Postemployment Benefit Costs - The City offers both pension and retiree healthcare benefits to retirees. The City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave)

- a. Sick Leave - City employees earn sick leave at the rate of four to eight days per year, depending upon employee classification and length of service. Policemen, teamsters, 40-hour-per-week firemen, and all other employees earn eight sick days per year, regardless of tenure of service. Firemen working 24-hour workdays with tenure greater than five years earn five days of sick leave per year, and firemen working 24-hour workdays with tenure less than five years, earn four 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 first 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 eight unused sick days at the first class patrolman rate of pay.

Note I - Summary of Significant Accounting Policies (Continued)

- 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. Nonbargaining employees carry over to the following year unused vacation time up to a maximum of 160 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 three days per year, during selected times of the year, at the employee's normal hourly rate of pay.
- c. Personal Leave - City policemen earn personal leave at the rate of seven 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 four days of their sick leave for personal leave.
- d. Compensatory Leave - City 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. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water and wastewater utility funds, Century Center fund, and internal service 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 2 - Stewardship, Compliance, and Accountability

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. Annual budgets are adopted for the following governmental funds:

Major governmental 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

Nonmajor governmental funds:

- Special Revenue Funds - Motor Vehicle Highway, Recreation Nonreverting, 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, Emergency Telephone System, 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, Excess Levy
- Debt Service Fund - College Football Hall of Fame Debt Service, Redevelopment Bond - Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond - Palais Royale

Note 2 - Stewardship, Compliance, and Accountability (Continued)

- Capital Projects Funds - Emergency Medical Services, Professional Sports Development, Coveleski Stadium Capital, Zoo Endowment, Park Nonreverting 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

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 City's management cannot transfer budgeted appropriations between object classifications, namely, Personnel, Supplies, Services, or Capital of a fund 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.

Expenditures did not exceed appropriations for any funds or any departments within the General fund, the Parks and Recreation Fund, the Public Safety LOIT Fund, the COIT Fund, the EDIT Fund, or any other major or nonmajor governmental fund which required legally approved budgets.

Fund Deficits - At December 31, 2014, the following funds reported deficits in fund equity, which are violations of State statute: Urban Development Action Grant (\$231,454), TIF - Douglas Road (\$665,242), and TIF - Northeast Residential (\$3,035,281).

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.

Note 3 - Deposits and Investments

Authorization for investment activity is stated in Indiana Code 5-13. Indiana Code 5-13-9 has authorized investment 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 the 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 & 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 state final maturity of one day.

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.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 3 - Deposits and Investments (Continued)

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City'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 that 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, 2014, 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:

Wells Fargo Bank, NA	\$ 1,905,683
US Bank NA	3,544,999
KeyBank	606,930
Bank of New York Mellon	7,318,951

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.

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. At year end, \$103,908,639 of investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. 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.

At year end, the City had the following investments and maturities:

<u>Primary Government</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>One to Two Years</u>	<u>More than Two Years</u>
U.S. Government Agency Securities	\$ 103,908,639	\$ 15,026,678	\$ 73,916,899	\$ 14,965,062

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 3 - Deposits and Investments (Continued)

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 investments 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.

Note 4 - Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2014, 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>Receivable</u>	<u>Noncurrent</u>
Nonmajor governmental funds:		
Economic development state grants	\$ 423,821	\$ 58,200
Community investment grants	301,820	235,419
Urban development action grant	1,768,852	1,330,650
Industrial revolving	4,407,181	4,376,997
TIF downtown	487,148	296,564
	<u> </u>	<u> </u>
Total	<u>\$ 7,388,822</u>	<u>\$ 6,297,830</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 5 - Net Investment in Capital Assets

The net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets not subject to depreciation	\$ 18,805,142	\$ 21,016,250	\$ 39,821,392
Capital assets subject to depreciation - Net	265,768,894	215,180,273	480,949,167
Deferred outflows (capital related)	-	676,576	676,576
Deferred inflows (capital related)	(309,120)	-	(309,120)
Notes and loans payable - Current	(953,636)	(335,765)	(1,289,401)
Mortgage bonds payable - Current	(1,852,965)	(67,035)	(1,920,000)
Capital leases payable - Current	(2,505,128)	(1,032,337)	(3,537,465)
Revenue bonds payable - Current	(7,953,378)	(7,080,000)	(15,033,378)
Notes and loans payable - Noncurrent	(663,855)	(3,458,899)	(4,122,754)
Mortgage bonds payable - Noncurrent	(19,478,583)	(413,569)	(19,892,152)
Capital leases payable - Noncurrent	(5,976,247)	(2,275,465)	(8,251,712)
Revenue bonds payable - Noncurrent	(76,909,134)	(104,129,874)	(181,039,008)
Unspent debt proceeds	303,531	18,605,656	18,909,187
Net investment in capital assets	<u>\$ 168,275,521</u>	<u>\$ 136,685,811</u>	<u>\$ 304,961,332</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 6 - Capital Assets

Capital asset activity of the City's governmental and business-type activities was as follows:

	Balance January 1, 2014	Additions	Disposals	Balance December 31, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 15,883,485	\$ -	\$ 776,679	\$ 15,106,806
Construction in progress	-	3,698,336	-	3,698,336
Subtotal	15,883,485	3,698,336	776,679	18,805,142
Capital assets being depreciated:				
Buildings	130,068,334	2,680,430	2,002,705	130,746,059
Improvements other than buildings	16,281,242	335,311	-	16,616,553
Machinery and equipment	46,353,978	6,407,909	1,858,847	50,903,040
Roads and other infrastructure	421,539,956	9,996,143	-	431,536,099
Subtotal	614,243,510	19,419,793	3,861,552	629,801,751
Accumulated depreciation:				
Buildings	40,365,200	3,649,898	235,951	43,779,147
Improvements other than buildings	8,031,397	677,409	-	8,708,806
Machinery and equipment	28,077,898	4,401,734	1,680,446	30,799,186
Roads and other infrastructure	269,277,787	11,467,931	-	280,745,718
Subtotal	345,752,282	20,196,972	1,916,397	364,032,857
Net capital assets being depreciated	268,491,228	(777,179)	1,945,155	265,768,894
Net capital assets	\$ 284,374,713	\$ 2,921,157	\$ 2,721,834	\$ 284,574,036
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 3,024,582	\$ 749,282	\$ -	\$ 3,773,864
Construction in progress	13,925,011	9,448,967	6,131,592	17,242,386
Subtotal	16,949,593	10,198,249	6,131,592	21,016,250
Capital assets being depreciated:				
Buildings	82,972,550	2,086,744	56,176	85,003,118
Improvements other than buildings	26,380,406	3,047,172	-	29,427,578
Machinery and equipment	30,211,994	3,087,395	1,048,809	32,250,580
Roads and other infrastructure	195,443,128	4,122,807	1,642,285	197,923,650
Subtotal	335,008,078	12,344,118	2,747,270	344,604,926
Accumulated depreciation:				
Buildings	33,316,084	2,446,114	49,925	35,712,273
Improvements other than buildings	5,728,277	1,254,621	-	6,982,898
Machinery and equipment	21,578,145	1,134,414	-	22,712,559
Roads and other infrastructure	59,840,599	4,898,038	721,714	64,016,923
Subtotal	120,463,105	9,733,187	771,639	129,424,653
Net capital assets being depreciated	214,544,973	2,610,931	1,975,631	215,180,273
Net capital assets	\$ 231,494,566	\$ 12,809,180	\$ 8,107,223	\$ 236,196,523

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 6 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 565,968
Public safety	3,588,722
Highways and streets, and other general infrastructure	12,036,194
Culture and recreation	3,168,927
Economic development	715,604
Internal service funds (depreciation is charged to the various functions based on their usage of the assets)	<u>121,557</u>
Total governmental activities	<u>\$ 20,196,972</u>

Business-type activities:

Water	\$ 1,880,075
Wastewater	6,087,286
Civic center	785,883
Building permits	124,860
Parking garage	269,612
Solid waste	427,958
Golf course	<u>157,513</u>
Total business-type activities	<u>\$ 9,733,187</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 6 - Capital Assets (Continued)

Construction Commitments - The City has active construction projects at year end. As of December 31, 2014, the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Governmental activities:		
Intersection improvements - Fellows & Ireland	\$ 487,195	\$ 151,498
Structural remediation - IVY Tower	1,784,726	671,520
Bartlett St. roundabout	183,280	2,523,220
Olive-Sample overpass	1,073,301	224,139
Marion-Madison roundabout	169,834	996,982
Total governmental activities	3,698,336	4,567,359
Business-type activities:		
Water Utility:		
Pinhook WTP efficiency improvements	2,232,257	122,260
North Station roof restoration	332,801	3,048
Wastewater Utility:		
Primary Clarifier upgrades	3,689,638	2,170,386
Sewer Overflow Sensory Network	537,077	155,154
Digester upgrade at WWTP	6,896,354	-
Southwood sewer separation	2,313,751	171,334
Prairie Avenue sewer separation	411,979	186,401
Eastgate Lift Station replacement	106,573	602,311
Secondary Clarifier rehab	567,006	670,014
Grit removal and influent screening improvements	27,959	216,239
East Bank sewer separation phase 5	126,991	384,805
Total business-type activities	17,242,386	4,681,952
Total	\$ 20,940,722	\$ 9,249,311

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 7 - Interfund Receivables, Payables, and Transfers

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. The composition of interfund balances at December 31, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Parks and Recreation	\$ 44
	Water Utility	104
	Total General Fund	148
Nonmajor governmental funds	Internal service funds	1,899
Internal service funds	General Fund	8,970
Water Utility	General Fund	8,320
	Parks and Recreation	3,076
	EDIT	497
	Nonmajor governmental funds	1,956
	Wastewater Utility	1,577
	Internal service funds	860
	Nonmajor enterprise funds	1,406
	Total Water Utility	17,692
Wastewater Utility	Water Utility	4,705
	Total	\$ 33,414

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
General Fund	Nonmajor governmental funds	\$ 558,304
COIT	Nonmajor governmental funds	2,027,973
TIF Airport	Nonmajor enterprise funds	1,472,130
Nonmajor governmental funds	TIF Airport	500,000
	Nonmajor governmental funds	<u>5,627,495</u>
	Total nonmajor governmental funds	<u>6,127,495</u>
	Total	<u>\$ 10,185,902</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, Indiana

Notes to Financial Statements December 31, 2014

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

Receiving Fund	Paying Fund	Amount
General Fund	Nonmajor governmental funds	\$ 1,000,000
	Water Utility	1,311,242
	Wastewater Utility	2,360,180
	Total General Fund	4,671,422
Parks and Recreation	Water Utility	260,442
	Wastewater Utility	468,947
	Total Parks and Recreation	729,389
TIF Airport	Nonmajor governmental funds	25,415
Nonmajor governmental funds	General Fund	98,544
	COIT	2,024,446
	EDIT	4,185,122
	Parks and Recreation	96,819
	TIF Airport	1,359,529
	Nonmajor governmental funds	5,155,869
	Water Utility	47,164
	Wastewater Utility	85,205
	Total nonmajor governmental funds	13,052,698
Nonmajor enterprise funds	TIF Airport	269,985
	EDIT	2,306,560
	Total nonmajor enterprise funds	\$ 2,576,545

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

The City 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.

Note 8 - Leases

Operating Leases - The City 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 \$265,962. The following is a schedule by years of future minimum rental payments as of December 31, 2014:

Years Ending December 31	Amount
2015	\$ 184,937
2016	152,015
2017	93,250
2018	62,671
2019	26,671
Total	<u>\$ 519,544</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 8 - Leases (Continued)

Capital Leases - The City 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, 2014 are as follows:

Years Ending December 31	Governmental Activities	Business-type Activities
2015	\$ 2,714,483	\$ 1,080,318
2016	2,250,471	994,820
2017	1,507,350	911,778
2018	1,039,066	347,378
2019	557,086	76,675
2020-2024	1,000,000	-
2025-2029	200,000	-
Total minimum lease payments	9,268,456	3,410,969
Less amount representing interest	787,081	103,167
Present value	<u>\$ 8,481,375</u>	<u>\$ 3,307,802</u>

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

	Governmental Activities	Business-type Activities
Buildings	\$ 4,115,612	\$ -
Improvements other than buildings	1,458,939	-
Machinery and equipment	8,627,051	4,493,630
Total	14,201,602	4,493,630
Accumulated depreciation	<u>(5,441,750)</u>	<u>(885,303)</u>
Net	<u>\$ 8,759,852</u>	<u>\$ 3,608,327</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. Debt activity is as follows:

Description	Amount Outstanding
Governmental Activities (Continued)	
<u>Mortgage Bonds:</u>	
2010 Public Works Service Center Refunding Interest rates: 3.0% to 5.0% Original issue: \$5,327,775 Principal installments: \$525,000 to \$615,000 Maturity: February 1, 2021	\$ 3,385,220
2012 New Fire Station/Police Renovations Refunding Interest rates: 2.1% to 5.0% Original issue: \$13,985,000 Principal installments: \$545,000 to \$770,000 Maturity: February 1, 2023	11,245,000
2013 Building Corp EMS Fire Station/Tower Bonds Interest rates: 3.0% to 4.2% Original issue: \$5,580,000 Principal installments: \$215,000 to \$235,000 Maturity: February 1, 2033	5,580,000
Subtotal	20,210,220
<u>Revenue Bonds (Continued):</u>	
2014 St. Joseph County PSAP (EDIT) Revenue Bonds Interest rates: 2.0% to 3.625% Original issue: \$9,155,000; City's portion (29.03%) = \$2,657,697 Principal installments: \$12,799 to \$16,611 Maturity: December 31, 2034	2,657,697
2014 TJX Special Taxing District Refunding Interest rates: 3.0% to 4.75% Original issue: \$3,440,000 Principal installments: \$295,000 to \$500,000 Maturity: January 1, 2022	3,010,000
2011 Airport TIF Refunding Interest rates: 4.0% to 5.2% Original issue: \$14,420,000 Principal installments: \$254,036 to \$530,000 Maturity: February 1, 2025	8,535,000
2011 Downtown TIF Refunding Interest rates: 4.0% to 5.2% Original issue: \$19,795,000 Principal installments: \$260,000 to \$935,000 Maturity: February 1, 2025	14,965,000

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt (Continued)

Description	Amount
Governmental Activities (Continued)	
<u>Revenue Bonds (Continued):</u>	
2005 Southside TIF (Erskine Village) Bond Interest rates: 6.1% to 6.75% Original issue: \$5,485,000 Principal installments: \$165,000 to \$465,000 Maturity: February 1, 2027	\$ 4,255,000
2008 Eddy Street Commons Improvements Interest rates: 4.0% to 6.0% Original issue: \$36,000,000 Principal installments: \$145,000 to \$1,420,000 Maturity: February 15, 2033	33,020,000
2013 Century Center Improvements Refunding Interest rates: 4.0% to 5.63% Original issue: \$4,655,000 Principal installments: \$155,000 to \$375,000 Maturity: May 1, 2028	3,750,000
2009 Morris Performing Arts Center Refinancing Bonds Interest rates 3.0% to 4.0% Original issue: \$7,210,000 Principal installments: \$400,000 to \$515,000 Maturity: February 1, 2017	2,460,000
2011 Hall of Fame Refinancing Bonds Interest rates: .8% to 3.65% Original issue: \$7,580,000 Principal installments: \$550,000 to \$615,000 Maturity: February 1, 2018	4,160,000
2011 Century Center Refinancing Bonds Interest rates: 2.0% to 3.0% Original issue: \$2,980,000 Principal installments: \$215,000 to \$260,000 Maturity: February 1, 2018	1,630,000
2006 CEDIT Refinancing Bonds Interest rates: 3.75% to 4.0% Original issue: \$7,440,000 Principal installments: \$310,000 to \$430,000 Maturity: February 1, 2017	2,055,000
2010 Professional Sports/Convention Development Revenue Bonds (Coveleski Stadium) Interest rates: 1.75% to 5.2% Original issue: \$4,980,000 Principal installments: \$580,000 to \$670,000 Maturity: January 5, 2019	2,915,000
Subtotal	83,412,697
Total governmental activity debt	\$ 103,622,917

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt (Continued)

Description	Amount Outstanding
Business-type Activities (Continued)	
<u>Mortgage Bonds:</u>	
2010 Public Works Service Center Refunding Interest rates: 3.0% to 5.0% Original issue: \$747,225 Principal installments: \$525,000 to \$615,000 Maturity: February 1, 2021	\$ 474,780
<u>Revenue Bonds (Continued):</u>	
2006 Water Works Improvement Bonds Interest rates: 4.25% to 4.5% Original issue: \$4,710,000 Principal installments: \$170,000 to \$350,000 Maturity: January 1, 2027	\$ 3,300,000
2009 Water Works Improvement Bonds Interest rates: 3.8% to 5.89% Original issue: \$5,380,000 Principal installments: \$195,000 to \$455,000 Maturity: January 1, 2030	4,775,000
2012 Water Works Improvement Bond Interest rate: 2.0% Original issue: \$5,975,000 Principal installments: \$335,000 to \$425,000 Maturity: January 1, 2023	3,100,000
2012B Water Works Improvement Bonds Interest rates: 2.0% to 3.7% Original issue: \$8,300,000 Principal installments: \$340,000 to \$540,000 Maturity: January 1, 2033	7,620,000
2006 Sewage Works Improvement Bonds Interest rates: 3.6% to 4.625% Original issue: \$7,630,000 Principal installments: \$295,000 to \$630,000 Maturity: December 1, 2026	5,740,000
2007A Sewage Works Improvement Bonds Interest rates: 4.0% to 4.5% Original issue: \$16,600,000 Principal installments: \$585,000 to \$1,225,000 Maturity: December 1, 2027	12,320,000
2007B Sewage Works Improvement Bonds Interest rates: 4.0% to 4.5% Original issue: \$16,515,000 Principal installments: \$580,000 to \$1,230,000 Maturity: December 1, 2027	12,280,000
2010 Sewage Works Revenue Bonds Interest rates: 2.0% to 4.5% Original issue: \$9,345,000 Principal installments: \$365,000 to \$665,000 Maturity: December 1, 2030	7,905,000

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt (Continued)

Description	Amount
Business-type Activities (Continued)	
<u>Revenue Bonds (Continued):</u>	
2011 Sewage Works Revenue Interest rates: 3.0% to 4.0% Original issue: \$21,500,000 Principal installments: \$365,000 to \$665,000 Maturity: December 1, 2031	\$ 19,040,000
2012 Sewage Works Revenue Interest rates: 2.0% to 2.75% Original issue: \$25,000,000 Principal installments: \$1,105,000 to \$1,650,000 Maturity: December 1, 2032	22,965,000
2013A Sewage Works Revenue Interest rate: 1.94% Original issue: \$14,765,000 Principal installments: \$1,065,000 to \$715,000 Maturity: December 11, 2024	11,855,000
Subtotal	110,900,000
Total business-type activity debt	\$ 111,374,780

Excluded from the governmental activities amounts outstanding are total unamortized premiums of \$1,121,328 and \$1,449,815 related to the mortgage bonds and revenue bonds, respectively.

Excluded from the business-type activities amounts outstanding are total unamortized premiums of \$5,824 and \$309,874 related to the mortgage bonds and revenue bonds, respectively.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Mortgage bonds	\$ 23,079,781	\$ -	\$ 1,748,233	\$ 21,331,548	\$ 1,852,965
Revenue bond	90,172,826	6,097,697	11,408,011	84,862,512	7,953,378
Total bonds payable	113,252,607	6,097,697	13,156,244	106,194,060	9,806,343
Notes and loans payable	3,030,554	500,000	1,913,063	1,617,491	953,636
Capital leases	8,777,238	1,839,208	2,135,071	8,481,375	2,505,128
Subtotal	125,060,399	8,436,905	17,204,378	116,292,926	13,265,107
Accumulated compensated absences	5,184,912	3,114,768	3,823,606	4,476,074	3,114,768
Net pension obligation	60,298,102	-	40,092	60,258,010	-
Net OPEB obligation	8,300,677	2,542,733	800,105	10,043,305	-
Total governmental activities	\$ 198,844,090	\$ 14,094,406	\$ 21,868,181	\$ 191,070,315	\$ 16,379,875

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt (Continued)

Compensated absences for governmental activities typically have been liquidated from the General Fund and special revenue funds. All of the December 31, 2014 business-type activities' compensated absences are due within one year. The net pension obligation will be liquidated from the pension trust funds. The net OPEB obligation will be liquidated from the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Mortgage bonds	\$ 546,973	\$ -	\$ 66,369	\$ 480,604	\$ 67,035
Revenue bonds	118,121,963	-	6,912,089	111,209,874	7,080,000
Total bonds payable	118,668,936	-	6,978,458	111,690,478	7,147,035
Capital leases payable	3,831,933	604,081	1,128,212	3,307,802	1,032,337
Notes and loans payable	4,121,010	-	326,346	3,794,664	335,765
Total business-type activities	\$ 126,621,879	\$ 604,081	\$ 8,433,016	\$ 118,792,944	\$ 8,515,137

Total interest expense for the year was \$5,360,219. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 9,806,343	\$ 4,676,294	\$ 14,482,637	\$ 7,147,035	\$ 3,815,331	\$ 10,962,366
2016	10,167,401	4,315,533	14,482,934	7,333,880	3,614,087	10,947,967
2017	9,573,459	3,922,232	13,495,691	7,535,725	3,401,769	10,937,494
2018	8,082,450	3,550,331	11,632,781	7,743,185	3,181,762	10,924,947
2019	7,182,893	3,210,863	10,393,756	6,605,645	2,953,421	9,559,066
2020-2024	33,115,634	11,240,459	44,356,093	35,584,310	11,291,659	46,875,969
2025-2029	14,296,567	5,177,694	19,474,261	29,460,000	4,766,364	34,226,364
2030-2034	11,398,170	1,332,423	12,730,593	9,965,000	586,636	10,551,636
Total	\$ 103,622,917	\$ 37,425,829	\$ 141,048,746	\$ 111,374,780	\$ 33,611,029	\$ 144,985,809

Current Refundings - On June 3, 2014, the South Bend Redevelopment District issued \$3,440,000 in refunding revenue bonds with an average interest rate of 2.75 percent to currently refund the remainder of its 2002 Redevelopment Special Taxing District bonds to take advantage of favorable interest rates and lower future debt service payments. The net proceeds of \$3,488,225 (after payment of \$123,627 in issuance costs) were used to redeem \$3,482,205 in bonds. In so doing, the City saved \$283,285 in debt service costs over the remaining life of the bonds.

Revenue Bond - 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, Indiana

Notes to Financial Statements December 31, 2014

Note 9 - Long-term Debt (Continued)

During 2014, the Water Utility paid \$2,020,614 in debt payments or approximately 14.1 percent of operating revenues. The Wastewater Utility paid \$9,696,671 in debt payments or approximately 28.5 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.

Note 10 - Restricted Assets

The balances of restricted assets in the enterprise funds are composed of the following:

Cash, cash equivalents, and investments:	
Bond construction fund	\$ 18,605,656
Depreciation fund	6,883,096
Debt service fund	794,139
Customer deposit fund	2,984,151
Bond reserve fund	8,899,657
Operating reserve fund	5,498,519
Capital outlay accounts	1,418,663
Cash with fiscal agent	108,787
Total restricted assets	<u>\$ 45,192,668</u>

Note 11 - 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 15-year life of the lease.

Note 12 - Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. At December 31, 2014, the market value of these properties was not known. These properties are recognized as assets in the funds that purchased the property.

Note 13 - 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 two additional three-year periods. 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 one-time capital infusion of \$575,000, to be used for capital improvement that will be amortized over seventy-two (72) months.

Both parties retain certain rights regarding operations and contract cessation.

Note 14 - Risk Management

The City 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 City 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, whereby assets are set aside for claim settlements. Excess policies 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 the property insurance self-retention amount. 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.

Note 14 - Risk Management (Continued)

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 payouts, 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.

Group Health Insurance - The City 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, whereby 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 the self-retention amount during the past three years. The claim occurred during 2014 and the gross claim cost was \$724,350. 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 payouts, and other economic and social factors.

Changes in the estimated liability for the past two fiscal years were as follows:

	Liability Insurance		Group Health	
	2014	2013	2014	2013
Unpaid claims - Beginning of year	\$ 2,791,134	\$ 5,584,476	\$ 1,207,274	\$ 970,077
Incurred claims, including claims incurred but not reported	3,279,546	44,210	14,139,152	13,583,715
Claim payments	(2,131,365)	(2,837,552)	(14,261,167)	(13,346,518)
Unpaid claims - End of year	<u>\$ 3,939,315</u>	<u>\$ 2,791,134</u>	<u>\$ 1,085,259</u>	<u>\$ 1,207,274</u>

Note 15 - Subsequent Events

On January 26, 2015, the Common Council approved the issuance of Parks and Recreation Committee (PARC) bonds for \$5.58 million to be used for improvements to the City's parks and recreation facilities. The bonds are expected to be issued in July 2015 and are to be repaid from EDIT revenues.

On February 9, 2015, the Common Council approved the issuance, by the Redevelopment Commission, of lease rental revenue bonds for \$25 million to be used for various public works construction projects related to the City's Smart Streets redevelopment initiative. Lease payments to the Redevelopment Authority will be paid from TIF revenues over 22 years which will be used for the bonds' debt service. On March 24, 2015, the bonds were sold on the open market and garnered a premium of \$150,821 on the sale.

On March 2, 2015, the City sold Blackthorn Golf Course to a private investor for \$1.655 million. After the payment to the South Bend Regional Airport Authority for its share of the proceeds, the City received a net payment of \$1,472,130 as the complete settlement. The sale rendered two capital leases totaling \$52,365 issued from the Airport TIF fund uncollectible. These balances were written off in 2014.

On March 3, 2015, the City's Board of Public Works approved a contract worth \$4.8 million for energy-saving upgrades to the Century Center, the city-owned convention center. The contract is expected to last 18 months and will be paid from a combination of City cash, County hotel/motel taxes, a Qualified Energy Conservation Bond, and savings from reduced utility costs. The bond closed May 14, 2015.

On November 24, 2014, the City of South Bend submitted documents to participate in the Municipalities Continuing Disclosure Cooperation Initiative (MCDC) with the United States Securities and Exchange Commission. Effective January 1, 2015, the City adopted a new bond continuing disclosure procedure.

Note 16 - Conduit Debt Obligation

From time to time, the City 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 City, 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, 2014, 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 2014, the City approved no new industrial revenue bonds.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 17 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	TIF Airport	Nonmajor Funds	Total
Fund Balances								
Nonspendable:								
Inventory	\$ -	\$ 52,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,385
Advances to other funds	558,304	-	-	-	-	-	-	558,304
Property held for resale	-	-	-	174,999	270,001	8,835,659	9,176,433	18,457,092
Long-term receivables	-	-	-	-	-	-	6,297,830	6,297,830
Total	558,304	52,385	-	174,999	270,001	8,835,659	15,474,263	25,365,611
Restricted:								
General administration	-	-	-	-	-	-	924,544	924,544
Police and fire salaries	-	-	1,008,564	-	-	-	-	1,008,564
Police and fire capital	-	-	-	-	-	-	2,268,903	2,268,903
Street maintenance	-	-	-	-	-	-	10,721,741	10,721,741
Economic development projects	-	-	-	-	-	32,529,551	38,955,081	71,484,632
Parks maintenance	-	3,230,762	-	-	-	-	2,829,384	6,060,146
Palais debt service reserve	-	-	-	-	-	-	1,734,914	1,734,914
Total	-	3,230,762	1,008,564	-	-	32,529,551	57,434,567	94,203,444
Committed:								
General administration	-	-	-	-	-	-	5,621,559	5,621,559
Police and fire capital	-	-	-	-	-	-	3,560,798	3,560,798
Street maintenance	-	-	-	-	-	-	5,627,495	5,627,495
Economic development projects	-	-	-	-	-	-	904,663	904,663
Parks maintenance	-	-	-	-	-	-	94,929	94,929
Morris/Palais capital	-	-	-	-	-	-	604,054	604,054
Total	-	-	-	-	-	-	16,413,498	16,413,498
Assigned:								
General administration	-	-	-	16,341,883	10,057,715	-	8,646,216	35,045,814
Police and fire capital	-	-	-	-	-	-	1,123,815	1,123,815
Street maintenance	-	-	-	-	-	-	996,127	996,127
Economic development administration	-	-	-	-	-	-	10,091	10,091
Total	-	-	-	16,341,883	10,057,715	-	10,776,249	37,175,847
Unassigned	27,029,101	-	-	-	-	-	(5,700,829)	21,328,272
Total fund balance	\$ 27,587,405	\$ 3,283,147	\$ 1,008,564	\$ 16,516,882	\$ 10,327,716	\$ 41,365,210	\$ 94,397,748	\$ 194,486,672

Public Safety LOIT funds are primarily restricted for payment of police and fire personnel. Parks 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.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 18 - Other Postemployment Benefits

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.

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, 2014, the City contributed \$800,105 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 \$154 per month for retiree-only coverage and \$474 for retiree and spouse coverage. General employee members receiving benefits contributed approximately 100 percent of the total premiums through their required contribution of \$436 per month for retiree-only coverage and \$1,150 for retiree and spouse coverage.

Funding Progress - For the year ended December 31, 2014, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2013. The valuation computes an annual required contribution that represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,570,663
Interest on the prior year's net OPEB obligation	373,530
Less adjustment to the annual required contribution	<u>(401,460)</u>
Annual OPEB cost	2,542,733
Amounts contributed:	
Payments of current premiums	(800,105)
Advance funding	<u>-</u>
Increase in net OPEB obligation	1,742,628
OPEB obligation - Beginning of year	<u>8,300,677</u>
OPEB obligation - End of year	<u>\$ 10,043,305</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 18 - Other Postemployment Benefits (Continued)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/12	\$ 1,928,572	40.1	\$ 6,539,338
12/31/13	2,463,473	28.5	8,300,677
12/31/14	2,542,733	31.5	10,043,305

The funding progress of the plan as of the three most recent valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
1/1/13	\$ -	\$ 21,493,998	\$ 21,493,998	-
1/1/12	-	18,649,906	18,649,906	-
1/1/11	-	17,641,023	17,641,023	-

Actuarial Methods and Assumptions - 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. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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.

Note 18 - Other Postemployment Benefits (Continued)

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 percent initially, reduced by decrements to an ultimate rate of 5 percent after 10 years. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 21 years.

Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund

Plan Description - The City contributes to the Public Employees' Retirement Fund (PERF), a cost-sharing, multiple-employer defined benefit pension plan, administered by Indiana Public Retirement System (INPRS). PERF, as part of the implementation of GASB Statement No. 67, changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.2-2-11 (b).

The Indiana Code, Title 5, Articles 10.2 and 10.3, amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the plan.

All full-time employees are eligible to participate in the cost-sharing, multiple-employer defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) provide the City authority to contribute to the plan and govern, through the INPRS Board, most requirements of the system. 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 contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. Under state statute, the City may elect to make these 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. That report may be obtained by contacting:

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

The report can also be viewed at <http://www.inprs.in.gov>.

Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund (Continued)

Funding Policy and Annual Pension Cost - The contribution requirements for plan members of PERF are established and can be amended by the board of trustees of INPRS. City employees participating in the plan are required to contribute 3 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate which was contributed during calendar year 2014 was 11.20 percent of annual covered payroll.

The City's contributions to PERF for the years ended December 31, 2012, 2013, and 2014 were \$3,059,647, \$2,694,571, and \$2,237,807, respectively, equal to the required contributions for each year.

Note 20 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description - The City 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 (INPRS) for all police officers and firefighters hired after April 30, 1977.

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.

INPRS 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 46204
Phone (888) 526-1687

Funding Policy - Plan members are required to contribute 6 percent of the first-class police officers' and firefighters' salary and the City 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 City are established by the board of trustees of PERF.

Annual Pension Cost - The City's contributions to the plan for the years ended December 31, 2014, 2013, and 2012 were \$4,670,394, \$4,189,100, and \$4,294,453, respectively, equal to the required contributions for each year.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 21 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan

Plan Administration - 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).

Plan Membership - At December 31, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	223
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>8</u>
Total	<u>231</u>

The pension plan is closed to new entrants. The pension plan has not elected early implementation of GASB 68 and therefore the net pension obligation will be reported in the statement of net position and not the net pension liability.

Benefits Provided - 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.

Contributions - Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6 percent) of the salary of a first-class patrolman. The contribution requirements of plan members are established by state statute. The City'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 \$6,111,865 during 2014 on behalf of the City. The City has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

Pension Plan Investments - Policy and Rate of Return

Note 21 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of December 31, 2014:

Asset Class	Target Allocation
Cash or cash equivalents	57%
Government agency securities	43%

Rate of Return - For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City

The City reports pension expense based on funding requirements, as directed by GASB Statement No. 27. Beginning next year, the City will adopt GASB Statement No. 68, which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the City has been measured as of December 31, 2014 and is composed of the following:

Total pension liability	\$ 99,502,362
Plan fiduciary net position	<u>(1,110,743)</u>
City's net pension liability	<u>\$ 98,391,619</u>

Plan fiduciary net position as a percentage of the total pension liability	1.1 %
--	-------

Actuarial Assumptions - The December 31, 2014 total pension liability was determined by an actuarial valuation as of that date. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	2.5 % average, including inflation
Investment rate of return	2.56 % net of pension plan investment expense, including inflation

Note 21 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

Mortality rates were based on the RP-2014 Blue Collar Set Mortality Table with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.

Discount Rate - The discount rate used to measure the total pension liability was 2.56 percent. The discount rate decreased from the 4.31 percent used for the December 31, 2013 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.56 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2014. The municipal bond rate was applied to all remaining periods.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2014 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1%
Government agency securities	2%

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 21 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 2.56 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.56 percent) or one percentage point higher (3.56 percent) than the current rate:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Net pension liability of the City	\$ 111,540,552	\$ 98,391,619	\$ 89,493,517

Pension Cost

The pension plan does not issue a separate financial report.

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 6,432,800
Interest on net pension obligation	2,036,484
Adjustment to annual required contribution	<u>(2,434,700)</u>
Annual pension cost (APC)	6,034,584
Contributions made	<u>(6,116,195)</u>
Decrease in net pension obligation	(81,611)
Net pension obligation - Beginning of year	<u>34,633,143</u>
Net pension obligation - End of year	<u>\$ 34,551,532</u>

Annual Pension Cost - For the year ended December 31, 2014, the City's annual pension cost of \$6,034,584 for the plan was less than the City's actual contribution of \$6,116,195. The pension cost for the three most recent years is as follows:

	Fiscal Year Ended December 31		
	2014	2013	2012
Annual pension cost (APC)	\$ 6,034,584	\$ 5,834,200	\$ 6,237,800
Percentage of APC contributed	101.4 %	100.6 %	108.0 %
Net pension obligation	34,551,532	34,633,143	34,667,265

Note 21 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

Funding Status and Funding Progress - As of January 1, 2014, the most recent actuarial valuation date, the plan was 1.9 percent funded. The actuarial accrued liability for benefits was \$89 million, and the actuarial value of assets was \$2 million, resulting in an unfunded actuarial accrued liability of \$87 million. The covered payroll (annual payroll to active employees covered by the plan) was \$441,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19,844 percent.

The schedule of funding progress, presented as RSI 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 of benefits.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at January 1, 2014, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 4.31 investment rate of return, (b) projected salary increases of 3.25 percent per year, and (c) cost of living adjustments of 2.25 percent (converted) and 3.25 percent (non-converted). Both (a) and (b) include an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan

Plan Administration - 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).

Plan Membership - At December 31, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	187
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>7</u>
Total	<u><u>194</u></u>

The pension plan is closed to new entrants. The pension plan has not elected early implementation of GASB 68 and therefore the net pension obligation will be reported in the statement of net position and not the net pension liability.

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

Benefits Provided - 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.

Contributions - 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 City'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 \$5,129,098 during 2014 on behalf of the City. The City has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash or cash equivalents	57%
Government agency securities	43%

Rate of Return - For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

Net Pension Liability of the City

The City reports pension expense based on funding requirements, as directed by GASB 27. Beginning next year, the City will adopt GASB 68, which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the City has been measured as of December 31, 2014 and is composed of the following:

The components of the net pension liability of the City at December 31, 2014 were as follows:

Total pension liability	\$ 83,390,271
Plan fiduciary net position	<u>(639,081)</u>
City's net pension liability	<u>\$ 82,751,190</u>

Plan fiduciary net position as a percentage of the total pension liability	0.8 %
--	-------

Actuarial Assumptions - The December 31, 2014 total pension liability was determined by an actuarial valuation as of that date. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	2.50 % average, including inflation
Investment rate of return	2.56 % net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Blue Collar Set Mortality Table with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.

Discount Rate - The discount rate used to measure the total pension liability was 2.56 percent. The discount rate decreased from the 4.31 percent used for the December 31, 2013 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.56 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2014. The municipal bond rate was applied to all remaining periods.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2014 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1%
Government agency securities	2%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 2.56 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.56 percent) or one percentage point higher (3.56 percent) than the current rate:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Net pension liability of the City	\$ 93,382,932	\$ 82,751,190	\$ 75,060,441

Pension Cost

The pension plan does not issue a separate financial report.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 5,436,400
Interest on net pension obligation	1,539,900
Adjustment to annual required contribution	<u>(1,804,200)</u>
Annual pension cost (APC)	5,172,100
Contributions made	<u>(5,130,581)</u>
Increase in net pension obligation	41,519
Net pension obligation - Beginning of year	<u>25,664,959</u>
Net pension obligation - End of year	<u>\$ 25,706,478</u>

Annual Pension Cost - For the year ended December 31, 2014, the City's annual pension cost of \$5,172,100 for the plan was greater than the City's actual contribution of \$5,130,581. The pension cost for the three most recent years is as follows:

	Fiscal Year Ended December 31		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual pension cost (APC)	\$ 5,172,100	\$ 4,957,600	\$ 5,239,700
Percentage of APC contributed	99.2 %	100.6 %	100.0 %
Net pension obligation	\$ 25,706,478	\$ 25,664,959	\$ 25,743,816

Funding Status and Funding Progress - As of January 1, 2014, the most recent actuarial valuation date, the plan was 1.2 percent funded. The actuarial accrued liability for benefits was \$76 million, and the actuarial value of assets was \$925,000, resulting in an unfunded actuarial accrued liability of \$75 million. The covered payroll (annual payroll to active employees covered by the plan) was \$329,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 23,039 percent.

The schedule of funding progress, presented as RSI 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 of benefits.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2014

Note 22 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at January 1, 2014, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 4.31 investment rate of return, (b) projected salary increases of 3.25 percent per year, and (c) cost of living adjustments of 2.25 percent (converted) and 3.25 percent (non-converted). Both (a) and (b) include an inflation component of 3 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

Note 23 - Pension Trust Funds

The following are condensed financial statements for the individual pension plans:

	1925 Police Pension	1937 Firefighters' Pension	Total
<u>Statement of Net Position</u>			
Cash and investments	\$ 1,109,579	\$ 638,441	\$ 1,748,020
Other assets	1,262	909	2,171
Liabilities	98	269	367
Net position	<u>\$ 1,110,743</u>	<u>\$ 639,081</u>	<u>\$ 1,749,824</u>
<u>Statement of Changes in Net Position:</u>			
Investment income	\$ 3,759	\$ 1,963	\$ 5,722
Contributions	6,116,194	5,130,582	11,246,776
Benefit payments	6,705,815	5,407,429	12,113,244
Other deductions	10,957	10,920	21,877
Net change in net position	<u>\$ (596,819)</u>	<u>\$ (285,804)</u>	<u>\$ (882,623)</u>

Note 24 - Change in Accounting

During the current year, the City adopted GASB Statement Number 67, *Financial Reporting for Pension Plans*. This statement required changes to the actuarial valuations resulting in a different measurement of the liability of the employer to plan members for benefits provided through the pension plan. As a result, the disclosures within the single employer pension footnotes have changed considerably along with the related schedules in the required supplementary information

Note 25 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The City is currently evaluating the impact this standard will have on the financial statements when adopted, during the City's 2016 fiscal year.

Note 26 - Reporting Change - Prior Period Adjustment

The financial statements for the year ended December 31, 2013 have been restated in order to account for a change in accounting related to the Public Employees' Retirement Fund (PERF). The PERF is now classified as a cost-sharing multiple-employer pension plan. The effect of this correction was to remove the \$2,960,204 net pension obligation related to the PERF from the governmental activities statement of net position.

The effect of this change is as follows:

	Governmental Activities
Net position - December 31, 2013 - As previously reported	\$ 286,593,845
Adjustment to remove PERF net pension obligation	<u>2,960,204</u>
Net position - December 31, 2013 - As restated	<u><u>\$ 289,554,049</u></u>

Required Supplementary Information

City of South Bend, Indiana

Required Supplementary Information 1925 Police Officers' Pension Plan Schedule of Funding Progress Year Ended December 31, 2014

The schedule of funding progress as determined by an actuarial valuation used for purposes of determining the annual required contribution is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
1/1/09	\$ 2,549,705	\$ 80,233,300	\$ 77,683,595	3.2	\$ 611,000	12,714.2
1/1/10	2,809,527	86,097,800	83,288,273	3.3	569,500	14,624.8
1/1/11	2,367,050	89,947,300	87,580,250	2.6	542,900	16,131.9
1/1/12	2,166,759	84,884,700	82,717,941	2.6	421,800	19,610.7
1/1/13	2,310,522	78,787,400	76,476,878	2.9	430,000	17,785.3
1/1/14	1,707,563	89,257,600	87,550,037	1.9	441,200	19,843.6

**Required Supplementary Information
1925 Police Officers' Pension Plan
Schedule of Investment Returns
Last Fiscal Year**

2014

Annual money-weighted
rate of return, net of
investment expense

0.6 %

Information is presented for the year available.

City of South Bend

Required Supplementary Information 1925 Police Officers' Pension Plan Schedule of Contributions Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 6,432,800	\$ 6,633,200	\$ 6,986,200	\$ 7,317,800	\$ 6,673,100	\$ 5,995,700	\$ 6,421,500	\$ 6,722,800	\$ 6,255,300	\$ 6,135,100
Contributions in relation to the actuarially determined contribution	6,116,195	5,837,216	6,776,614	6,512,842	5,805,597	6,355,442	5,072,985	4,773,188	6,255,300	4,294,570
Contribution Deficiency (Excess)	<u>\$ 316,605</u>	<u>\$ 795,984</u>	<u>\$ 209,586</u>	<u>\$ 804,958</u>	<u>\$ 867,503</u>	<u>\$ (359,742)</u>	<u>\$ 1,348,515</u>	<u>\$ 1,949,612</u>	<u>\$ -</u>	<u>\$ 1,840,530</u>
Covered Employee Payroll	\$ 441,200	\$ 430,000	\$ 421,800	\$ 542,900	\$ 569,500	\$ 611,000	\$ 652,000	\$ 350,667	\$ 531,733	\$ 1,048,933
Contributions as a Percentage of Covered Employee Payroll	1,386.3 %	1,357.5 %	1,606.6 %	1,199.6 %	1,019.4 %	1,040.2 %	778.1 %	1,361.2 %	1,176.4 %	409.4 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percent of payroll

Remaining amortization period 30 years

Asset valuation method Not applicable. Benefits are funded on a pay-as-you-go basis

Inflation 2.25% per year

Salary increases 2.50% per year

Investment rate of return 2.56% per year

Retirement age Non-converted - any age with 20 or more years of creditable service
Converted - age 52 with 20 or more years of creditable service and no longer active

Mortality RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

Other information Cost of living increases of 2.50% per year in retirement for non-converted and 2.00% per year in retirement for converted

City of South Bend, Indiana

Required Supplementary Information 1925 Police Officers' Pension Plan Schedule of Changes in the City Net Pension Liability and Related Ratios Last Fiscal Year

	As of December 31, 2014
Total Pension Liability	
Service cost	\$ 157,965
Interest	3,721,864
Changes in assumptions	12,487,771
Projected benefit payments	(6,122,870)
Net Change in Total Pension Liability	10,244,730
Total Pension Liability - Beginning of year	89,257,632
Total Pension Liability - End of year	\$ 99,502,362
Plan Fiduciary Net Position	
Contributions - Other	\$ 4,329
Contributions - Non-employer Entity	6,111,865
Net investment income	3,759
Administrative expenses	(10,957)
Benefit payments, including refunds	(6,705,815)
Net Change in Plan Fiduciary Net Position	(596,819)
Plan Fiduciary Net Position - Beginning of year	1,707,562
Plan Fiduciary Net Position - End of year	\$ 1,110,743
City's Net Pension Liability - Ending	\$ 98,391,619
Plan Fiduciary Net Position as a % of Total Pension Liability	1.12 %
Covered Employee Payroll	\$ 441,200
City's Net Pension Liability as a % of Covered Employee Payroll	22,300.9 %

Information is presented for the year available.

City of South Bend, Indiana

Required Supplementary Information 1937 Firefighters' Pension Plan Schedule of Funding Progress Year Ended December 31, 2014

The schedule of funding progress as determined by an actuarial valuation used for purposes of determining the annual required contribution is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
1/1/09	\$ 2,285,165	\$ 70,369,900	\$ 68,084,735	3.2	\$ 474,450	14,350.2
1/1/10	2,162,207	74,950,900	72,788,693	2.9	429,500	16,947.3
1/1/11	1,815,026	79,076,500	77,261,474	2.3	397,100	19,456.4
1/1/12	1,718,166	70,308,800	68,590,634	2.4	365,500	18,766.2
1/1/13	1,348,330	66,057,700	64,709,370	2.0	319,300	20,266.0
1/1/14	924,885	75,706,500	74,781,615	1.2	328,600	22,757.6

City of South Bend

Required Supplementary Information 1937 Firefighters' Pension Plan Schedule of Investment Returns Last Fiscal Year

2014

Annual money-weighted
rate of return, net of
investment expense

0.6 %

Information is presented for the year available.

City of South Bend

Required Supplementary Information 1937 Firefighters' Pension Plan Schedule of Contributions Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 5,436,400	\$ 5,550,900	\$ 5,787,300	\$ 6,399,700	\$ 5,811,400	\$ 5,258,600	\$ 4,436,200	\$ 5,104,800	\$ 5,369,400	\$ 5,384,500
Contributions in relation to the actuarially determined contribution	5,130,581	5,051,319	5,208,570	5,503,742	5,172,146	5,416,358	4,702,372	6,738,336	5,798,952	4,146,065
Contribution Deficiency (Excess)	<u>\$ 305,819</u>	<u>\$ 499,581</u>	<u>\$ 578,730</u>	<u>\$ 895,958</u>	<u>\$ 639,254</u>	<u>\$ (157,758)</u>	<u>\$ (266,172)</u>	<u>\$ (1,633,536)</u>	<u>\$ (429,552)</u>	<u>\$ 1,238,435</u>
Covered Employee Payroll	\$ 328,600	\$ 319,300	\$ 365,500	\$ 397,100	\$ 429,500	\$ 474,450	\$ 519,400	\$ 1,338,200	\$ 326,833	\$ 648,183
Contributions as a Percentage of Covered Employee Payroll	1,561.3 %	1,582.0 %	1,425.1 %	1,386.0 %	1,204.2 %	1,141.6 %	905.3 %	503.5 %	1,774.3 %	639.6 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percent of payroll

Remaining amortization period 30 years

Asset valuation method Not applicable. Benefits are funded on a pay-as-you-go basis

Inflation 2.25% per year

Salary increases 2.50% per year

Investment rate of return 2.56% per year

Retirement age Non-converted - any age with 20 or more years of creditable service
Converted - age 52 with 20 or more years of creditable service and no longer active

Mortality RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

Other information Cost of living increases of 2.50% per year in retirement for non-converted and 2.00% per year in retirement for converted

City of South Bend, Indiana

Required Supplementary Information 1937 Firefighters' Pension Plan Schedule of Changes in the City Net Pension Liability and Related Ratios Last Fiscal Year

	As of December 31, 2014
Total Pension Liability	
Service cost	\$ 114,297
Interest	3,155,669
Changes in assumptions	9,620,657
Projected benefit payments	(5,206,870)
	7,683,753
Net Change in Total Pension Liability	
	7,683,753
Total Pension Liability - Beginning of year	75,706,518
Total Pension Liability - End of year	\$ 83,390,271
Plan Fiduciary Net Position	
Contributions - Other	\$ 1,484
Contributions - Non-employer Entity	5,129,098
Net investment income	1,963
Administrative expenses	(10,920)
Benefit payments, including refunds	(5,407,429)
	(285,804)
Net Change in Plan Fiduciary Net Position	
	(285,804)
Plan Fiduciary Net Position - Beginning of year	924,885
Plan Fiduciary Net Position - End of year	\$ 639,081
City's Net Pension Liability - Ending	\$ 82,751,190
Plan Fiduciary Net Position as a % of Total Pension Liability	0.77 %
Covered Employee Payroll	\$ 328,600
City's Net Pension Liability as a % of Covered Employee Payroll	25,183.0 %

Information is presented for the year available.

City of South Bend, Indiana

Required Supplementary Information OPEB System Schedule Year Ended December 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
1/1/11	\$ -	\$ 17,641,023	\$ 17,641,023	-	\$ -	-
1/1/12	-	18,649,906	18,649,906	-	-	-
1/1/13	-	21,493,998	21,493,998	-	-	-

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds Year Ended December 31, 2014

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - Property	\$ 37,399,180	\$ 36,638,000	\$ 36,708,989	\$ 70,989
Licenses and permits	863,725	886,373	856,506	(29,867)
Intergovernmental	7,928,815	7,989,440	8,131,120	141,680
Charges for services	3,278,810	3,215,172	3,428,641	213,469
Fines and forfeits	25,920	25,920	18,912	(7,008)
Other	1,486,177	1,656,179	1,491,059	(165,120)
Total revenues	50,982,627	50,411,084	50,635,227	224,143
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	632,608	631,126	619,264	11,862
Supplies	19,770	21,371	21,246	125
Other services and charges	49,410	64,149	59,111	5,038
Mayor - 311 Call Center:				
Personnel services	422,705	422,705	392,461	30,244
Supplies	23,555	24,771	16,331	8,440
Other services and charges	33,689	41,432	36,963	4,469
Capital outlay	-			
City Clerk:				
Personnel services	312,763	312,763	284,154	28,609
Supplies	8,062	10,992	8,771	2,221
Other services and charges	57,453	56,353	41,784	14,569
Capital outlay	13,400	13,400	-	13,400
Common Council:				
Personnel services	297,929	277,929	199,753	78,176
Supplies	7,285	7,285	1,397	5,888
Other services and charges	149,884	258,484	221,520	36,964
Capital outlay	17,500	-	-	-
Administration/Finance:				
Personnel services	1,898,692	1,751,616	1,703,591	48,025
Supplies	31,270	42,140	32,707	9,433
Other services and charges	152,367	293,253	220,282	72,971

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
City Attorney:				
Personnel services	\$ 977,419	\$ 977,419	\$ 902,017	\$ 75,402
Supplies	5,083	5,083	4,235	848
Other services and charges	43,133	43,133	41,262	1,871
Human Rights:				
Personnel services	272,252	272,252	267,337	4,915
Supplies	2,394	2,394	1,353	1,041
Other services and charges	78,426	78,426	67,014	11,412
Capital outlay	14,190	14,190	11,202	2,988
Neighborhood Code Enforcement:				
Personnel services	-	1,750	1,247	503
Supplies	-	813	811	2
Other services and charges	-	2,662	2,522	140
Total General Government	<u>5,521,239</u>	<u>5,627,891</u>	<u>5,158,335</u>	<u>469,556</u>
Public Safety:				
Police Department:				
Personnel services	20,920,704	20,080,704	19,834,135	246,569
Supplies	362,153	804,999	737,132	67,867
Other services and charges	2,729,951	3,989,343	3,571,566	417,777
Capital outlay	-	65,158	65,158	-
Communication Center:				
Personnel services	2,210,667	1,995,667	1,973,871	21,796
Supplies	4,029	4,029	1,362	2,667
Other services and charges	21,220	21,790	10,712	11,078
Fire Department:				
Personnel services	18,803,664	19,600,048	19,597,777	2,271
Supplies	589,505	388,843	358,843	30,000
Other services and charges	1,597,058	1,660,524	1,638,720	21,804
Animal Control:				
Supplies	-	1,213	579	634
Other services and charges	-	1,041	-	1,041
Total Public Safety	<u>47,238,951</u>	<u>48,613,359</u>	<u>47,789,855</u>	<u>823,504</u>

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Highways and Streets:				
Engineering:				
Personnel services	\$ 608,921	\$ 583,475	\$ 568,947	\$ 14,528
Supplies	18,741	20,129	17,753	2,376
Other services and charges	488,336	522,698	515,951	6,747
Total highways and streets	<u>1,115,998</u>	<u>1,126,302</u>	<u>1,102,651</u>	<u>23,651</u>
Culture and recreation:				
Palais Royale Ballroom:				
Personnel services	251,265	251,265	229,221	22,044
Supplies	31,376	31,629	9,166	22,463
Other services and charges	200,769	225,816	188,363	37,453
Capital outlay	15,000	15,000	-	15,000
Morris Performing Arts Center:				
Personnel services	711,096	711,096	654,025	57,071
Supplies	30,898	32,657	18,798	13,859
Other services and charges	300,176	319,774	272,854	46,920
Total culture and recreation	<u>1,540,580</u>	<u>1,587,237</u>	<u>1,372,427</u>	<u>214,810</u>
Total expenditures	<u>55,416,768</u>	<u>56,954,789</u>	<u>55,423,268</u>	<u>1,531,521</u>
Other financing sources - Transfers In	<u>4,470,989</u>	<u>4,470,989</u>	<u>4,470,989</u>	<u>-</u>
Net change in fund balances	36,848	(2,072,716)	(317,052)	1,755,664
Fund balances - Beginning	<u>28,388,091</u>	<u>28,388,091</u>	<u>28,388,091</u>	<u>-</u>
Fund balances - Ending	<u>\$ 28,424,939</u>	<u>\$ 26,315,375</u>	<u>\$ 28,071,039</u>	<u>\$ 1,755,664</u>

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	Parks and Recreation Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - Property	\$ 7,430,898	\$ 7,350,000	\$ 7,365,388	\$ 15,388
Intergovernmental	1,326,315	1,326,315	1,383,093	56,778
Charges for services	3,263,040	2,149,540	1,904,418	(245,122)
Fines and forfeits	1,800	1,800	675	(1,125)
Other	168,354	186,285	170,396	(15,889)
Total revenues	<u>12,190,407</u>	<u>11,013,940</u>	<u>10,823,970</u>	<u>(189,970)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	8,091,942	7,126,942	6,805,448	321,494
Supplies	1,509,819	1,531,319	1,238,665	292,654
Other services and charges	2,485,266	3,639,117	3,448,676	190,441
Capital outlay	107,000	93,000	87,867	5,133
Total expenditures	<u>12,194,027</u>	<u>12,390,378</u>	<u>11,580,656</u>	<u>809,722</u>
Other financing sources - Transfers out	<u>(190,500)</u>	<u>(210,500)</u>	<u>(96,819)</u>	<u>113,681</u>
Net change in fund balances	(194,120)	(1,586,938)	(853,505)	733,433
Fund balances - Beginning	<u>4,255,160</u>	<u>4,255,160</u>	<u>4,255,160</u>	<u>-</u>
Fund balances - Ending	<u>\$ 4,061,040</u>	<u>\$ 2,668,222</u>	<u>\$ 3,401,655</u>	<u>\$ 733,433</u>

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	Public Safety LOIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County option income tax	\$ 6,380,029	\$ 6,380,029	\$ 6,380,029	\$ -
Other	11,000	11,000	4,421	(6,579)
Total revenues	<u>6,391,029</u>	<u>6,391,029</u>	<u>6,384,450</u>	<u>(6,579)</u>
Expenditures - Personnel services	<u>7,214,658</u>	<u>7,214,658</u>	<u>7,123,413</u>	<u>91,245</u>
Net change in fund balances	(823,629)	(823,629)	(738,963)	84,666
Fund balances - Beginning	<u>2,032,194</u>	<u>2,032,194</u>	<u>2,032,194</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,208,565</u>	<u>\$ 1,208,565</u>	<u>\$ 1,293,231</u>	<u>\$ 84,666</u>

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	COIT Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - County option income	\$ 8,645,811	\$ 8,645,811	\$ 8,645,811	\$ -
Other	<u>624,376</u>	<u>624,376</u>	<u>562,876</u>	<u>(61,500)</u>
Total revenues	<u>9,270,187</u>	<u>9,270,187</u>	<u>9,208,687</u>	<u>(61,500)</u>
Expenditures:				
Current:				
General Government:				
Supplies	1,248,000	1,301,040	1,081,057	219,983
Other services and charges	7,110,440	7,640,734	7,124,606	516,128
Capital outlay	<u>297,500</u>	<u>1,124,011</u>	<u>1,007,098</u>	<u>116,913</u>
Total expenditures	<u>8,655,940</u>	<u>10,065,785</u>	<u>9,212,761</u>	<u>853,024</u>
Other financing uses - Transfers out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Net change in fund balances	(485,753)	(1,895,598)	(1,104,074)	791,524
Fund balances - Beginning	<u>14,905,635</u>	<u>14,905,635</u>	<u>14,905,635</u>	<u>-</u>
Fund balances - Ending	<u>\$ 14,419,882</u>	<u>\$ 13,010,037</u>	<u>\$ 13,801,561</u>	<u>\$ 791,524</u>

City of South Bend, Indiana

Required Supplementary Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2014

	EDIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County economic development income tax	\$ 8,796,821	\$ 8,796,821	\$ 8,796,821	\$ -
Other	549,660	579,590	413,117	(166,473)
Total revenues	9,346,481	9,376,411	9,209,938	(166,473)
Expenditures:				
General Government:				
Personnel services	500,335	500,335	395,867	104,468
Other services and charges	2,895,577	3,652,548	3,576,396	76,152
Capital outlay	-	275,000	189,964	85,036
Total expenditures	3,395,912	4,427,883	4,162,227	265,656
Other financing uses - Transfers out	(5,862,101)	(5,862,101)	(5,862,101)	-
Net change in fund balances	88,468	(913,573)	(814,390)	99,183
Fund balances - Beginning	10,842,128	10,842,128	10,842,128	-
Fund balances - Ending	\$ 10,930,596	\$ 9,928,555	\$ 10,027,738	\$ 99,183

City of South Bend, Indiana

Required Supplementary Information Budget/GAAP Reconciliation General Fund and Major Special Revenue Funds Year Ended December 31, 2014

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

- 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:

	<u>General</u>	<u>Parks and Recreation</u>	<u>Public Safety LOIT</u>	<u>COIT</u>	<u>EDIT</u>
Net change in fund balances (budgetary basis)	\$ (317,052)	\$ (853,505)	\$ (738,963)	\$ (1,104,075)	\$ (814,390)
Adjustments:					
To adjust revenues for accruals	(50,826)	(68,943)	1,391	(383,810)	(172,303)
To adjust expenditures for accruals	(450,525)	25,115	(49,083)	56,176	7,001
To adjust expenditures for encumbrances	<u>736,895</u>	<u>95,062</u>	<u>-</u>	<u>1,149,823</u>	<u>142,486</u>
Net change in fund balances (GAAP basis)	<u>\$ (81,508)</u>	<u>\$ (802,271)</u>	<u>\$ (786,655)</u>	<u>\$ (281,886)</u>	<u>\$ (837,206)</u>

City of South Bend, Indiana

Notes to Required Supplementary Information

Note 1 - 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.

City of South Bend, Indiana

Notes to Required Supplementary Information (Continued)

- 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 - parks and recreation, public safety local option income tax (LOIT), county option income tax (COIT), economic development income tax (EDIT)

Capital projects fund - TIF Airport

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, emergency telephone system, 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, excess levy

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 \$27,125,417 in 2014 for the funds listed above.
- I. Expenditures did not exceed appropriations for any funds or any departments within the General Fund which required legally approved budgets.

Other Supplementary Information

City of South Bend, Indiana

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions

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.

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.

City of South Bend, Indiana

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

Indiana River Rescue - To account for expenditures related to river rescue training. Financing is provided by registration fees.

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 hazmat equipment, or for training and supplies.

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.

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).

Excess Levy - To account for monies collected from property taxes that exceed the City's maximum property tax levy as determined by the Indiana Department of Local Government Finance (DLGF). Proceeds in this statutory fund are used to offset future property tax levy amounts as determined by the DLGF during the budget approval process.

City of South Bend, Indiana

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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 toward 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.

City of South Bend, Indiana

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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.

City of South Bend, Indiana

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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, Indiana

	Special Revenue Funds				
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker		DCI Operating
			Oliver Revitalization Grants	Economic Development State Grants	
Assets					
Cash and cash equivalents	\$ 902,394	\$ 188,711	\$ 251,698	\$ 76,319	\$ 248,860
Investments	2,988,657	624,996	833,602	252,761	824,206
Receivables:					
Taxes	-	-	-	-	-
Accounts	5,781	12,587	-	-	5,925
Interest	4,356	909	1,213	368	1,202
Intergovernmental	774,395	-	-	-	-
Loans	-	-	-	423,821	-
Due from other funds	-	1,899	-	-	-
Advances to other funds	-	-	500,000	-	-
Property held for resale	-	-	3,551	-	-
Restricted assets	-	-	-	-	-
Total assets	\$ 4,675,583	\$ 829,102	\$ 1,590,064	\$ 753,269	\$ 1,080,193
Liabilities					
Accounts payable	\$ 431,458	\$ 14,150	\$ 3,375	\$ 12,200	\$ 2,690
Due to other governmental units	-	-	-	-	-
Due to other funds	619	-	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	184,076	12,364	-	-	81,376
Other current payables	-	-	-	-	-
Total liabilities	616,153	26,514	3,375	12,200	84,066
Fund Balances					
Nonspendable	-	-	3,551	58,200	-
Restricted	4,059,430	802,588	1,083,138	682,869	-
Committed	-	-	500,000	-	-
Assigned	-	-	-	-	996,127
Unassigned	-	-	-	-	-
Total fund balances	4,059,430	802,588	1,586,689	741,069	996,127
Total liabilities and fund balances	\$ 4,675,583	\$ 829,102	\$ 1,590,064	\$ 753,269	\$ 1,080,193

**Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2014**

Special Revenue Funds							
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Law Enforcement Continuing Education	Loss Recovery Fund	Emergency Telephone System	Local Road and Street	Excess Welfare Distribution
\$ 183,291	\$ 43,422	\$ 2,781	\$ 222,697	\$ 1,358,468	\$ 7,796	\$ 566,297	\$ 2
607,044	143,809	9,212	737,554	4,499,135	25,819	1,875,528	6
-	-	-	-	-	-	-	-
184	-	-	39,102	-	-	-	-
849	209	13	1,074	6,553	36	2,729	-
-	-	-	-	-	-	85,628	-
301,820	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,155,452	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 4,248,640	\$ 187,440	\$ 12,006	\$ 1,000,427	\$ 5,864,156	\$ 33,651	\$ 2,530,182	\$ 8
\$ 142,845	\$ -	\$ -	\$ 19,237	\$ 242,597	\$ -	\$ 9,007	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	13,768	-	-
4,354	-	-	-	-	-	-	-
147,199	-	-	19,237	242,597	13,768	9,007	-
3,390,871	-	-	-	-	-	-	-
710,570	187,440	-	981,190	-	19,883	2,521,175	8
-	-	12,006	-	5,621,559	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,101,441	187,440	12,006	981,190	5,621,559	19,883	2,521,175	8
\$ 4,248,640	\$ 187,440	\$ 12,006	\$ 1,000,427	\$ 5,864,156	\$ 33,651	\$ 2,530,182	\$ 8

City of South Bend, Indiana

	Special Revenue Funds				
	Human Rights	East Race	Morris and	Police Block	Economic
	Federal	Waterway	Palais Marketing	Grants	Development Commission
Assets					
Cash and cash equivalents	\$ 125,730	\$ 1,231	\$ 6,189	\$ 887	\$ 6,302
Investments	404,033	4,076	20,496	2,937	20,873
Receivables:					
Taxes	-	-	-	-	-
Accounts	1,667	-	-	-	-
Interest	509	6	30	4	30
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total assets	<u>\$ 531,939</u>	<u>\$ 5,313</u>	<u>\$ 26,715</u>	<u>\$ 3,828</u>	<u>\$ 27,205</u>
Liabilities					
Accounts payable	\$ 11,769	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	4,376	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	<u>16,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	515,794	-	-	3,828	-
Committed	-	5,313	26,715	-	27,205
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>515,794</u>	<u>5,313</u>	<u>26,715</u>	<u>3,828</u>	<u>27,205</u>
Total liabilities and fund balances	<u>\$ 531,939</u>	<u>\$ 5,313</u>	<u>\$ 26,715</u>	<u>\$ 3,828</u>	<u>\$ 27,205</u>

**Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2014**

Special Revenue Funds

Hazmat	Indiana River Rescue	COPS Block Grant II	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Gift	Urban Development Action Grant
\$ 9,181	\$ 24,418	\$ 22,103	\$ 15,819	\$ 24,611	\$ 345,543	\$ 31,956	\$ 6,409
30,405	80,869	73,203	52,391	81,509	-	105,834	21,227
-	-	-	-	-	-	-	-
13,787	-	-	-	90	1,729	-	-
44	118	102	76	119	88	154	31
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,768,852
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 53,417	\$ 105,405	\$ 95,408	\$ 68,286	\$ 106,329	\$ 347,360	\$ 137,944	\$ 1,796,519
\$ 20,939	\$ -	\$ 15,297	\$ 2,725	\$ 20,550	\$ 18,385	\$ 32,725	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,027,973
-	1,652	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,939	1,652	15,297	2,725	20,550	18,385	32,725	2,027,973
-	-	-	-	-	-	-	1,330,650
-	-	80,111	-	85,779	328,975	105,219	438,202
32,478	-	-	65,561	-	-	-	-
-	103,753	-	-	-	-	-	-
-	-	-	-	-	-	-	(2,000,306)
32,478	103,753	80,111	65,561	85,779	328,975	105,219	(231,454)
\$ 53,417	\$ 105,405	\$ 95,408	\$ 68,286	\$ 106,329	\$ 347,360	\$ 137,944	\$ 1,796,519

City of South Bend, Indiana

Special Revenue Funds

	Leaf Collection and Removal	Police K-9 Unit	Rainy Day	Excess Levy	Industrial Revolving Fund
Assets					
Cash and cash equivalents	\$ 226,986	\$ 769	\$ 2,002,106	\$ 3,648	\$ 2,449,292
Investments	751,759	2,547	6,630,811	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	37,788	500	-	-	-
Interest	1,099	4	9,651	-	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	4,407,181
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	97,800
Restricted assets	-	-	-	-	-
Total assets	\$ 1,017,632	\$ 3,820	\$ 8,642,568	\$ 3,648	\$ 6,954,273
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	1,390	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	1,390	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	4,474,797
Restricted	-	-	-	-	2,479,476
Committed	-	-	-	-	-
Assigned	1,016,242	3,820	8,642,568	3,648	-
Unassigned	-	-	-	-	-
Total fund balances	1,016,242	3,820	8,642,568	3,648	6,954,273
Total liabilities and fund balances	\$ 1,017,632	\$ 3,820	\$ 8,642,568	\$ 3,648	\$ 6,954,273

**Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2014**

Special Revenue Funds	Debt Service Funds						
	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service
\$ 9,355,916	\$ 27,623	\$ 240,540	\$ 116,969	\$ 401,904	\$ 4,139,414	\$ 662,361	\$ 561,108
21,705,299	54,620	796,650	387,392	1,331,073	-	-	-
-	480	-	-	-	-	-	-
119,140	-	-	-	-	-	-	-
31,576	76	1,160	564	1,937	-	-	7
860,023	-	-	-	-	-	-	-
6,901,674	-	-	-	-	-	-	-
1,899	-	-	-	-	-	-	-
500,000	-	-	-	-	-	-	-
3,256,803	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 42,732,330	\$ 82,799	\$ 1,038,350	\$ 504,925	\$ 1,734,914	\$ 4,139,414	\$ 662,361	\$ 561,115
\$ 999,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
619	-	-	-	-	-	-	-
2,027,973	-	-	-	-	-	-	-
299,002	-	-	-	-	-	-	-
4,354	-	-	-	-	-	-	-
3,331,897	-	-	-	-	-	-	-
9,258,069	-	-	-	-	-	-	-
15,085,675	82,799	1,038,350	504,925	1,734,914	4,139,414	662,361	561,115
6,290,837	-	-	-	-	-	-	-
10,766,158	-	-	-	-	-	-	-
(2,000,306)	-	-	-	-	-	-	-
39,400,433	82,799	1,038,350	504,925	1,734,914	4,139,414	662,361	561,115
\$ 42,732,330	\$ 82,799	\$ 1,038,350	\$ 504,925	\$ 1,734,914	\$ 4,139,414	\$ 662,361	\$ 561,115

City of South Bend, Indiana

	Debt Service	Capital Projects Funds			
	Funds	Emergency	Professional	Coveleski	Zoo
	Total	Medical	Sports	Stadium	Zoo
		Services	Development	Capital	Endowment
Assets					
Cash and cash equivalents	\$ 6,149,919	\$ 673,996	\$ 138,095	\$ 9,371	\$ 11,389
Investments	2,569,735	2,232,220	457,358	31,036	37,720
Receivables:					
Taxes	480	-	-	-	-
Accounts	-	351,127	151,076	-	-
Interest	3,744	3,248	666	45	55
Intergovernmental	-	396,727	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total assets	\$ 8,723,878	\$ 3,657,318	\$ 747,195	\$ 40,452	\$ 49,164
Liabilities					
Accounts payable	\$ -	\$ 19,767	\$ -	\$ -	\$ -
Due to other governmental units	-	186,176	-	-	-
Due to other funds	-	622	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	-	206,565	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	8,723,878	-	747,195	-	-
Committed	-	3,450,753	-	40,452	49,164
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	8,723,878	3,450,753	747,195	40,452	49,164
Total liabilities and fund balances	\$ 8,723,878	\$ 3,657,318	\$ 747,195	\$ 40,452	\$ 49,164

**Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2014**

Capital Projects Funds							
Park Nonreverting Capital	Cumulative Capital Development	Cumulative Capital Improvement	Morris		TIF Leighton Plaza	TIF - West Washington	Redevelopment General
			Performing Arts Center Capital	TIF Downtown			
\$ 60,436	\$ 134,656	\$ 57,797	\$ 119,406	\$ 949,048	\$ 115,326	\$ 277,015	\$ 2,338
399,869	445,971	191,418	395,462	3,143,171	68,292	917,452	7,742
-	415	-	-	-	-	-	-
4,000	-	-	-	24	2,192	-	-
578	647	278	575	4,525	99	1,327	11
-	-	-	-	-	-	-	-
-	-	-	-	487,148	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,377,940	-	436,690	-
60,300	-	-	-	-	-	-	-
\$ 525,183	\$ 581,689	\$ 249,493	\$ 515,443	\$ 9,961,856	\$ 185,909	\$ 1,632,484	\$ 10,091
\$ -	\$ -	\$ -	\$ 1,268	\$ 20,378	\$ 7,471	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	6,112	-	-
-	-	-	1,268	20,378	13,583	-	-
-	-	-	-	5,674,504	-	436,690	-
525,183	581,689	249,493	-	4,266,974	172,326	1,195,794	-
-	-	-	514,175	-	-	-	-
-	-	-	-	-	-	-	10,091
-	-	-	-	-	-	-	-
525,183	581,689	249,493	514,175	9,941,478	172,326	1,632,484	10,091
\$ 525,183	\$ 581,689	\$ 249,493	\$ 515,443	\$ 9,961,856	\$ 185,909	\$ 1,632,484	\$ 10,091

City of South Bend, Indiana

	Capital Projects Funds				
	Community				
	Revitalization	TIF No. 1 -	TIF No. 3 -	TIF-Central	
	Enhancement	Southside	Southside	Medical Service	Football Hall of
	District	Development	Development	Area	Fame Capital
Assets					
Cash and cash equivalents	\$ 9,838	\$ 1,148,438	\$ 1,376,507	\$ 531,566	\$ 129,552
Investments	-	3,803,535	4,558,881	1,760,505	429,067
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	28	5,502	6,635	2,550	625
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	105,000	-	-	-	-
Restricted assets	-	-	-	-	-
	<u>\$ 114,866</u>	<u>\$ 4,957,475</u>	<u>\$ 5,942,023</u>	<u>\$ 2,294,621</u>	<u>\$ 559,244</u>
Total assets					
Liabilities					
Accounts payable	\$ -	\$ 485,443	\$ -	\$ 78,971	\$ 225
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	-	-	715
Advances from other funds	-	-	-	-	558,304
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
	<u>-</u>	<u>485,443</u>	<u>-</u>	<u>78,971</u>	<u>559,244</u>
Total liabilities					
Fund Balances					
Nonspendable	105,000	-	-	-	-
Restricted	9,866	4,472,032	5,942,023	2,215,650	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>114,866</u>	<u>4,472,032</u>	<u>5,942,023</u>	<u>2,215,650</u>	<u>-</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 114,866</u>	<u>\$ 4,957,475</u>	<u>\$ 5,942,023</u>	<u>\$ 2,294,621</u>	<u>\$ 559,244</u>

**Other Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2014**

Capital Projects Funds							
Major Moves	TIF Northeast Development	TIF Douglas Road	TIF - Northeast Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing
\$ 843,651	\$ 1,055,584	\$ 51,298	\$ 395,108	\$ 1,163,096	\$ 14,632	\$ 87,440	\$ 374,700
2,794,105	3,496,008	169,895	1,308,566	3,852,300	48,461	289,596	-
-	-	-	-	-	-	-	-
4,085	5,065	242	1,863	5,386	71	422	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,627,495	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 9,269,336	\$ 4,556,657	\$ 221,435	\$ 1,705,537	\$ 5,020,782	\$ 63,164	\$ 377,458	\$ 374,700
\$ 163,066	\$ 112,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,169
-	-	-	-	-	-	-	-
-	-	886,677	4,740,818	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
163,066	112,956	886,677	4,740,818	-	-	-	71,169
-	-	-	-	-	-	-	-
3,478,775	4,443,701	-	-	5,020,782	-	-	303,531
5,627,495	-	-	-	-	63,164	377,458	-
-	-	-	-	-	-	-	-
-	-	(665,242)	(3,035,281)	-	-	-	-
9,106,270	4,443,701	(665,242)	(3,035,281)	5,020,782	63,164	377,458	303,531
\$ 9,269,336	\$ 4,556,657	\$ 221,435	\$ 1,705,537	\$ 5,020,782	\$ 63,164	\$ 377,458	\$ 374,700

City of South Bend

Other Supplementary Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds December 31, 2014

	Capital Projects Funds		Total Nonmajor Governmental Funds
Assets	Total	Total	Funds
Cash and cash equivalents	\$ 9,730,283	\$	25,236,118
Investments	30,838,630		55,113,664
Receivables:			
Taxes	415		895
Accounts	508,419		627,559
Interest	44,528		79,848
Intergovernmental	396,727		1,256,750
Loans	487,148		7,388,822
Due from other funds	-		1,899
Advances to other funds	5,627,495		6,127,495
Property held for resale	5,919,630		9,176,433
Restricted assets	60,300		60,300
	\$ 53,613,575	\$	105,069,783
Total assets			
Liabilities			
Accounts payable	\$ 960,714	\$	1,960,663
Due to other governmental units	186,176		186,176
Due to other funds	1,337		1,956
Advances from other funds	6,185,799		8,213,772
Accrued liabilities and other -			
Accrued payroll payable	-		299,002
Other current payables	6,112		10,466
	7,340,138	10,672,035	
Total liabilities			
Fund Balances			
Nonspendable	6,216,194		15,474,263
Restricted	33,625,014		57,434,567
Committed	10,122,661		16,413,498
Assigned	10,091		10,776,249
Unassigned	(3,700,523)		(5,700,829)
	46,273,437	94,397,748	
Total fund balances			
Total liabilities and fund balances	\$ 53,613,575	\$	105,069,783

City of South Bend, Indiana

	Special Revenue Funds				
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	5,709,951	-	-	-	347,467
Charges for services	287,742	841,232	-	-	322,244
Fines and forfeitures	-	-	-	-	-
Investment income	12,599	2,964	3,829	15,069	3,261
Rental income	-	-	-	-	-
Other revenue	137,403	107,857	-	-	1,956
Total revenue	6,147,695	952,053	3,829	15,069	674,928
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	8,890,522	-	-	-	-
Community and economic development	-	-	3,375	32,750	2,205,266
Culture and recreation	-	918,757	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	239,878	-	-	58,200	-
Interest on long-term debt	15,348	-	-	13,810	-
Total expenditures	9,145,748	918,757	3,375	104,760	2,205,266
Excess of Revenue Over (Under) Expenditures	(2,998,053)	33,296	454	(89,691)	(1,530,338)
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	15,732	-	-	-	-
Transfers in	3,216,582	-	-	-	1,688,959
Transfers out	-	-	-	-	-
Total other financing sources (uses)	3,232,314	-	-	-	1,688,959
Net Change in Fund Balances	234,261	33,296	454	(89,691)	158,621
Fund Balances - Beginning of year	3,825,169	769,292	1,586,235	830,760	837,506
Fund Balances - End of year	\$ 4,059,430	\$ 802,588	\$ 1,586,689	\$ 741,069	\$ 996,127

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2014

Special Revenue Funds						
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Law Enforcement Continuing Education	Loss Recovery Fund	Emergency Telephone System	Local Road and Street
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
4,183,019	-	-	-	-	-	1,016,111
-	-	-	112,594	-	-	-
-	-	425	93,292	-	-	-
1,893	567	41	3,518	27,740	-	6,280
-	-	-	-	-	-	-
502,379	28,309	-	19,883	-	-	38,251
4,687,291	28,876	466	229,287	27,740	-	1,060,642
-	-	-	-	2,325,109	-	-
-	-	-	245,030	-	195,117	-
-	-	-	-	-	-	534,960
4,554,199	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,554,199	-	-	245,030	2,325,109	195,117	534,960
133,092	28,876	466	(15,743)	(2,297,369)	(195,117)	525,682
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
133,092	28,876	466	(15,743)	(2,297,369)	(195,117)	525,682
3,968,349	158,564	11,540	996,933	7,918,928	215,000	1,995,493
\$ 4,101,441	\$ 187,440	\$ 12,006	\$ 981,190	\$ 5,621,559	\$ 19,883	\$ 2,521,175

City of South Bend, Indiana

	Special Revenue Funds				
	Excess Welfare Distribution	Human Rights Federal	East Race Waterway	Morris and Palais Marketing	Police Block Grants
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	187,450	-	-	-
Charges for services	-	-	-	10,610	-
Fines and forfeitures	-	-	-	-	-
Investment income	5	1,801	42	94	13
Rental income	-	-	-	-	-
Other revenue	-	85,435	-	-	-
Total revenue	5	274,686	42	10,704	13
Expenditures					
Current:					
General government	-	215,389	-	-	-
Public safety	1,146	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	9,092	11,957	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	1,146	215,389	9,092	11,957	-
Excess of Revenue Over (Under) Expenditures	(1,141)	59,297	(9,050)	(1,253)	13
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(1,141)	59,297	(9,050)	(1,253)	13
Fund Balances - Beginning of year	1,149	456,497	14,363	27,968	3,815
Fund Balances - End of year	<u>\$ 8</u>	<u>\$ 515,794</u>	<u>\$ 5,313</u>	<u>\$ 26,715</u>	<u>\$ 3,828</u>

City of South Bend, Indiana

	Special Revenue Funds				
	Gift	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Rainy Day
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	436,318	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	436	98	3,734	7	30,453
Rental income	-	-	-	-	-
Other revenue	174,918	-	-	2,500	-
Total revenue	175,354	98	440,052	2,507	30,453
Expenditures					
Current:					
General government	143,931	-	75,434	-	-
Public safety	-	-	-	-	-
Highways and streets	889	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	67,574	-	-
Interest on long-term debt	-	-	4,615	-	-
Total expenditures	144,820	-	147,623	-	-
Excess of Revenue Over (Under) Expenditures	30,534	98	292,429	2,507	30,453
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(250,000)	-	-
Total other financing sources (uses)	-	-	(250,000)	-	-
Net Change in Fund Balances	30,534	98	42,429	2,507	30,453
Fund Balances - Beginning of year	74,685	(231,552)	973,813	1,313	8,612,115
Fund Balances - End of year	\$ 105,219	\$ (231,454)	\$ 1,016,242	\$ 3,820	\$ 8,642,568

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2014

Special Revenue Funds			Debt Service Funds			
Excess Levy	Industrial Revolving Fund	Total	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
\$ 3,648	\$ -	\$ 3,648	\$ 491,899	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	11,521,894	45,683	-	-	-
-	-	2,080,552	-	-	-	-
-	-	93,717	-	-	-	-
-	159,114	275,824	458	3,668	1,779	6,129
-	-	-	-	-	-	-
-	16,627	1,220,204	-	-	-	-
<u>3,648</u>	<u>175,741</u>	<u>15,195,839</u>	<u>538,040</u>	<u>3,668</u>	<u>1,779</u>	<u>6,129</u>
-	-	2,759,863	-	-	-	-
-	-	880,822	-	-	-	-
-	-	9,426,371	-	-	-	-
-	416,540	7,212,130	-	-	-	-
-	-	939,806	-	-	-	-
-	-	-	-	-	-	-
-	-	365,652	1,130,000	-	-	-
-	-	33,773	133,416	-	-	-
<u>-</u>	<u>416,540</u>	<u>21,618,417</u>	<u>1,263,416</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,648	(240,799)	(6,422,578)	(725,376)	3,668	1,779	6,129
-	-	-	-	-	-	-
-	-	15,732	-	-	-	-
-	-	4,905,541	85,677	-	-	-
-	-	(250,000)	-	(3,415)	-	(5,706)
<u>-</u>	<u>-</u>	<u>4,671,273</u>	<u>85,677</u>	<u>(3,415)</u>	<u>-</u>	<u>(5,706)</u>
3,648	(240,799)	(1,751,305)	(639,699)	253	1,779	423
-	7,195,072	41,151,738	722,498	1,038,097	503,146	1,734,491
<u>\$ 3,648</u>	<u>\$ 6,954,273</u>	<u>\$ 39,400,433</u>	<u>\$ 82,799</u>	<u>\$ 1,038,350</u>	<u>\$ 504,925</u>	<u>\$ 1,734,914</u>

City of South Bend, Indiana

	Debt Service Funds				Capital Projects Funds
	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	Total	Emergency Medical Services
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ 491,899	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	45,683	397,027
Charges for services	-	-	-	-	2,830,360
Fines and forfeitures	-	-	-	-	2,600
Investment income	805	101	7	12,947	17,052
Rental income	-	-	-	-	-
Other revenue	-	-	-	-	8,969
Total revenue	805	101	7	550,529	3,256,008
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	3,951	-	3,951	-
Community and economic development	2,000	-	-	2,000	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	3,792,750
Debt service:					
Principal	2,630,000	1,580,425	210,000	5,550,425	39,523
Interest on long-term debt	2,165,790	715,920	281,495	3,296,621	2,223
Total expenditures	4,797,790	2,300,296	491,495	8,852,997	3,834,496
Excess of Revenue Over (Under) Expenditures	(4,796,985)	(2,300,195)	(491,488)	(8,302,468)	(578,488)
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	4,375
Transfers in	4,955,500	2,366,725	491,495	7,899,397	-
Transfers out	-	-	-	(9,121)	(1,205,750)
Total other financing sources (uses)	4,955,500	2,366,725	491,495	7,890,276	(1,201,375)
Net Change in Fund Balances	158,515	66,530	7	(412,192)	(1,779,863)
Fund Balances - Beginning of year	3,980,899	595,831	561,108	9,136,070	5,230,616
Fund Balances - End of year	\$ 4,139,414	\$ 662,361	\$ 561,115	\$ 8,723,878	\$ 3,450,753

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2014

Capital Projects Fund						
Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment	Park Nonreverting Capital	Cumulative Capital Development	Cumulative Capital Improvement	Morris Performing Arts Center Capital
\$ -	\$ -	\$ -	\$ -	\$ 428,917	\$ -	\$ -
588,054	-	-	-	-	-	-
-	-	-	-	38,234	417,476	-
-	-	-	14,679	-	-	76,074
-	-	-	-	-	-	-
2,193	93	173	1,481	2,355	208	1,672
-	-	-	-	-	25,000	-
66,711	13,526	-	28,597	854	-	-
656,958	13,619	173	44,757	470,360	442,684	77,746
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
500,000	-	-	95,000	-	-	-
-	-	-	73,515	-	-	23,790
705,000	-	-	-	685,082	-	-
160,545	-	-	-	37,852	800	-
1,365,545	-	-	168,515	722,934	800	23,790
(708,587)	13,619	173	(123,758)	(252,574)	441,884	53,956
500,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	96,819	46,692	-	-
-	-	-	-	-	(369,000)	-
500,000	-	-	96,819	46,692	(369,000)	-
(208,587)	13,619	173	(26,939)	(205,882)	72,884	53,956
955,782	26,833	48,991	552,122	787,571	176,609	460,219
\$ 747,195	\$ 40,452	\$ 49,164	\$ 525,183	\$ 581,689	\$ 249,493	\$ 514,175

City of South Bend, Indiana

	Capital Projects Fund				
	TIF Downtown	TIF Leighton Plaza	TIF - West Washington	Redevelopment General	Community Revitalization Enhancement District
Revenue					
Property taxes	\$ 3,326,909	\$ -	\$ 518,944	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	400,000	-	-	-	-
Charges for services	37,727	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	42,016	315	2,261	62	299
Rental income	-	-	-	-	-
Other revenue	95,505	171,807	308	-	-
Total revenue	3,902,157	172,122	521,513	62	299
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	170,005	128,575	-	9,629	-
Debt service:					
Principal	1,721,667	-	-	-	-
Interest on long-term debt	759,297	-	-	-	-
Total expenditures	2,650,969	128,575	-	9,629	-
Excess of Revenue Over (Under) Expenditures	1,251,188	43,547	521,513	(9,567)	299
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	5,706	-	-	-	-
Transfers out	(927,418)	-	-	-	-
Total other financing sources (uses)	(921,712)	-	-	-	-
Net Change in Fund Balances	329,476	43,547	521,513	(9,567)	299
Fund Balances - Beginning of year	9,612,002	128,779	1,110,971	19,658	114,567
Fund Balances - End of year	\$ 9,941,478	\$ 172,326	\$ 1,632,484	\$ 10,091	\$ 114,866

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2014

Capital Projects Funds

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
\$ 2,295,976	\$ 9,175	\$ 432,182	\$ -	\$ -	\$ 1,314,652	\$ 321,895
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,029	21,582	9,183	2,274	255,924	10,892	757
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,308,005</u>	<u>30,757</u>	<u>441,365</u>	<u>2,274</u>	<u>255,924</u>	<u>1,325,544</u>	<u>322,652</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,274,663	-	555,171	100,818	4,172,162	141,640	-
-	-	-	-	-	-	296,529
-	-	-	-	-	-	61,780
<u>1,274,663</u>	<u>-</u>	<u>555,171</u>	<u>100,818</u>	<u>4,172,162</u>	<u>141,640</u>	<u>358,309</u>
1,033,342	30,757	(113,806)	(98,544)	(3,916,238)	1,183,904	(35,657)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	98,544	-	-	-
-	(491,495)	-	-	-	-	-
<u>-</u>	<u>(491,495)</u>	<u>-</u>	<u>98,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,033,342	(460,738)	(113,806)	-	(3,916,238)	1,183,904	(35,657)
3,438,690	6,402,761	2,329,456	-	13,022,508	3,259,797	(629,585)
<u>\$ 4,472,032</u>	<u>\$ 5,942,023</u>	<u>\$ 2,215,650</u>	<u>\$ -</u>	<u>\$ 9,106,270</u>	<u>\$ 4,443,701</u>	<u>\$ (665,242)</u>

City of South Bend, Indiana

	Capital Projects Funds				
	TIF - Northeast Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing
Revenue					
Property taxes	\$ 2,511,474	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	1,328,182	7,850	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	4,115	12,393	202	1,299	805
Rental income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	2,515,589	1,340,575	8,052	1,299	805
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	214,573	-	-	-	1,832,364
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	185,617	-	-	-	-
Total expenditures	400,190	-	-	-	1,832,364
Excess of Revenue Over (Under) Expenditures	2,115,399	1,340,575	8,052	1,299	(1,831,559)
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	1,703,487
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(2,928,500)	-	-	-	-
Total other financing sources (uses)	(2,928,500)	-	-	-	1,703,487
Net Change in Fund Balances	(813,101)	1,340,575	8,052	1,299	(128,072)
Fund Balances - Beginning of year	(2,222,180)	3,680,207	55,112	376,159	431,603
Fund Balances - End of year	\$ (3,035,281)	\$ 5,020,782	\$ 63,164	\$ 377,458	\$ 303,531

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2014

Capital Projects Funds		
Total	Total Nonmajor Governmental Funds	
\$ 11,160,124	\$ 11,655,671	
588,054	588,054	
2,588,769	14,156,346	
2,958,840	5,039,392	
2,600	96,317	
401,635	690,406	
25,000	25,000	
386,277	1,606,481	
18,111,299	33,857,667	
-	2,759,863	
-	880,822	
-	9,430,322	
95,000	7,309,130	
500,000	1,439,806	
12,489,655	12,489,655	
3,447,801	9,363,878	
1,208,114	4,538,508	
17,740,570	48,211,984	
370,729	(14,354,317)	
2,203,487	2,203,487	
4,375	20,107	
247,761	13,052,699	
(5,922,163)	(6,181,284)	
(3,466,540)	9,095,009	
(3,095,811)	(5,259,308)	
49,369,248	99,657,056	
\$ 46,273,437	\$ 94,397,748	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Major Governmental Funds Capital Projects Funds - TIF Airport Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 13,400,000	\$ 14,284,735	\$ 14,284,734	\$ (1)
Other	79,612	349,139	289,246	(59,893)
Total revenues	<u>13,479,612</u>	<u>14,633,874</u>	<u>14,573,980</u>	<u>(59,894)</u>
Expenditures:				
Current:				
Economic Development:				
Other services and charges	4,175,432	11,777,095	9,766,440	2,010,655
Capital outlay	<u>16,150,000</u>	<u>15,509,598</u>	<u>3,12,703</u>	<u>15,196,895</u>
Total expenditures	<u>20,325,432</u>	<u>27,286,693</u>	<u>10,079,143</u>	<u>17,207,550</u>
Other financing sources - Transfers in	<u>5,000</u>	<u>5,000</u>	<u>3,548</u>	<u>(1,452)</u>
Net change in fund balances	(6,840,820)	(12,647,819)	4,498,385	17,146,204
Fund balances - Beginning	<u>25,020,129</u>	<u>25,020,129</u>	<u>25,020,129</u>	<u>-</u>
Fund balances - Ending	<u>\$ 18,179,309</u>	<u>\$ 12,372,310</u>	<u>\$ 29,518,514</u>	<u>\$ 17,146,204</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 4,498,385	
To adjust revenues for accruals			(2,834,523)	
To adjust expenditures for accruals			1,824,946	
To adjust expenditures for encumbrances			<u>1,861,383</u>	
Net change in fund balance, GAAP basis			<u>\$ 5,350,191</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Motor Vehicle Highway Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,633,418	\$ 5,633,418	\$ 5,320,036	\$ (313,382)
Charges for services	190,000	190,000	233,639	43,639
Other	66,300	217,615	222,097	4,482
Total revenues	5,889,718	6,041,033	5,775,772	(265,261)
Expenditures:				
Current:				
Highways and streets:				
Personnel services	3,995,824	3,937,510	3,756,344	181,166
Supplies	2,955,233	3,170,848	3,030,509	140,339
Other services and charges	1,942,491	2,722,269	2,635,573	86,696
Capital outlay	212,220	178,250	173,488	4,762
Total expenditures	9,105,768	10,008,877	9,595,914	412,963
Other financing sources - Transfers in	3,216,582	3,216,582	3,216,582	-
Net change in fund balances	532	(751,262)	(603,560)	147,702
Fund balances - Beginning	3,679,915	3,679,915	3,679,915	-
Fund balances - Ending	\$ 3,680,447	\$ 2,928,653	\$ 3,076,355	\$ 147,702
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (603,560)	
To adjust revenues for accruals			387,654	
To adjust expenditures for accruals			(353,919)	
To adjust expenditures for encumbrances			804,086	
Net change in fund balance, GAAP basis			\$ 234,261	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Recreation Nonreverting Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,400,592	\$ 1,402,592	\$ 842,289	\$ (560,303)
Other	49,000	86,586	103,197	16,611
Total revenues	<u>1,449,592</u>	<u>1,489,178</u>	<u>945,486</u>	<u>(543,692)</u>
Expenditures:				
Current:				
Culture and recreation				
Personnel services	613,627	613,627	465,680	147,947
Supplies	272,426	274,095	217,716	56,379
Other services and charges	491,036	492,342	239,634	252,708
Capital outlay	99,000	99,000	-	99,000
Total expenditures	<u>1,476,089</u>	<u>1,479,064</u>	<u>923,030</u>	<u>556,034</u>
Net change in fund balances	(26,497)	10,114	22,456	12,342
Fund balances - Beginning	<u>778,249</u>	<u>778,249</u>	<u>778,249</u>	<u>-</u>
Fund balances - Ending	<u>\$ 751,752</u>	<u>\$ 788,363</u>	<u>\$ 800,705</u>	<u>\$ 12,342</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 22,456	
To adjust revenues for accruals			6,568	
To adjust expenditures for accruals			(8,935)	
To adjust expenditures for encumbrances			<u>13,207</u>	
Net change in fund balance, GAAP basis			<u>\$ 33,296</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Studebaker Oliver Revitalization Grants Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 305,000	\$ 335,000	\$ 3,078	\$ (331,922)
Expenditures:				
Current:				
Economic Development				
Other Services and Charges	-	30,000	30,000	-
Capital Outlay	1,385,000	1,385,000	-	1,385,000
Total expenditures	1,385,000	1,415,000	30,000	1,385,000
Net change in fund balances	(1,080,000)	(1,080,000)	(26,922)	1,053,078
Fund balances - Beginning	1,083,386	1,083,386	1,083,386	-
Fund balances - Ending	\$ 3,386	\$ 3,386	\$ 1,056,464	\$ 1,053,078
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (26,922)	
To adjust revenues for accruals			751	
To adjust expenditures for accruals			(3,375)	
To adjust expenditures for encumbrances			30,000	
Net change in fund balance, GAAP basis			\$ 454	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Economic Development State Grants Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 77,016	\$ 2,077,016	\$ 73,042	\$ (2,003,974)
Expenditures:				
Current:				
Economic Development				
Other services and charges	117,886	162,886	114,960	47,926
Capital Outlay	-	2,000,000	-	2,000,000
Total expenditures	117,886	2,162,886	114,960	2,047,926
Net change in fund balances	(40,870)	(85,870)	(41,918)	43,952
Fund balances - Beginning	348,950	348,950	348,950	-
Fund balances - Ending	\$ 308,080	\$ 263,080	\$ 307,032	\$ 43,952
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (41,918)	
To adjust revenues for accruals			(57,973)	
To adjust expenditures for accruals			(12,200)	
To adjust expenditures for encumbrances			22,400	
Net change in fund balance, GAAP basis			\$ (89,691)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - DCI Operating Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 386,787	\$ 386,787	\$ 347,467	\$ (39,320)
Other	202,500	330,271	323,951	(6,320)
Total revenues	589,287	717,058	671,418	(45,640)
Expenditures:				
Current:				
Economic Development:				
Personnel services	2,069,556	2,058,296	1,913,819	144,477
Supplies	29,472	43,735	40,652	3,083
Other services and charges	284,773	302,853	269,108	33,745
Total expenditures	2,383,801	2,404,884	2,223,579	181,305
Other financing sources - Transfers in	1,688,959	1,688,959	1,688,959	-
Net change in fund balances	(105,555)	1,133	136,798	135,665
Fund balances - Beginning	907,315	907,315	907,315	-
Fund balances - Ending	<u>\$ 801,760</u>	<u>\$ 908,448</u>	<u>\$ 1,044,113</u>	<u>\$ 135,665</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 136,798	
To adjust revenues for accruals			3,510	
To adjust expenditures for accruals			(11,793)	
To adjust expenditures for encumbrances			30,106	
Net change in fund balance, GAAP basis			<u>\$ 158,621</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Community Investment Grants Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,525,000	\$ 6,692,663	\$ 4,287,122	\$ (2,405,541)
Other	286,000	995,536	536,728	(458,808)
Total revenues	<u>3,811,000</u>	<u>7,688,199</u>	<u>4,823,850</u>	<u>(2,864,349)</u>
Expenditures:				
Current:				
Economic development:				
Personnel services	-	2,328	-	2,328
Other services and charges	3,811,000	7,188,457	7,071,558	116,899
Total expenditures	<u>3,811,000</u>	<u>7,190,785</u>	<u>7,071,558</u>	<u>119,227</u>
Net change in fund balances	-	497,414	(2,247,708)	(2,745,122)
Fund balances - Beginning	<u>590,162</u>	<u>590,162</u>	<u>590,162</u>	<u>-</u>
Fund balances - Ending	<u>\$ 590,162</u>	<u>\$ 1,087,576</u>	<u>\$ (1,657,546)</u>	<u>\$ (2,745,122)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,247,708)	
To adjust revenues for accruals			(136,559)	
To adjust expenditures for accruals			69,391	
To adjust expenditures for encumbrances			<u>2,447,968</u>	
Net change in fund balance, GAAP basis			<u>\$ 133,092</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police State Seizure Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 35,900	\$ 36,200	\$ 28,765	\$ (7,435)
Expenditures:				
Current:				
Public Safety:				
Other services and charges	20,000	20,000	-	20,000
Capital outlay	20,000	20,000	-	20,000
Total expenditures	40,000	40,000	-	40,000
Net change in fund balances	(4,100)	(3,800)	28,765	32,565
Fund balances - Beginning	158,667	158,667	158,667	-
Fund balances - Ending	\$ 154,567	\$ 154,867	\$ 187,432	\$ 32,565
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 28,765	
To adjust revenues for accruals			111	
Net change in fund balance, GAAP basis			\$ 28,876	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Juvenile Positive Assistance Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and fees	\$ 1,000	\$ 1,000	\$ 438	\$ (562)
Other	25	125	33	(92)
Total revenues	<u>1,025</u>	<u>1,125</u>	<u>471</u>	<u>(654)</u>
Expenditures:				
Current:				
Public safety - Other services and charges	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balances	25	125	471	346
Fund balances - Beginning	<u>11,548</u>	<u>11,548</u>	<u>11,548</u>	<u>-</u>
Fund balances - Ending	<u>\$ 11,573</u>	<u>\$ 11,673</u>	<u>\$ 12,019</u>	<u>\$ 346</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 471	
To adjust revenues for accruals			<u>(5)</u>	
Net change in fund balance, GAAP basis			<u>\$ 466</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Law Enforcement Continuing Education Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 10,000	\$ 10,000	\$ -
Charges for services	100,000	100,000	100,181	181
Fines and fees	80,000	81,500	73,772	(7,728)
Other	31,000	33,445	21,935	(11,510)
	<u>211,000</u>	<u>224,945</u>	<u>205,888</u>	<u>(19,057)</u>
Total revenues				
Expenditures:				
Current:				
Public safety:				
Supplies	30,000	48,855	43,868	4,987
Other services and charges	190,000	182,000	174,515	7,485
Capital outlay	50,000	63,947	13,947	50,000
	<u>270,000</u>	<u>294,802</u>	<u>232,330</u>	<u>62,472</u>
Total expenditures				
	<u>270,000</u>	<u>294,802</u>	<u>232,330</u>	<u>62,472</u>
Net change in fund balances	(59,000)	(69,857)	(26,442)	43,415
Fund balances - Beginning	<u>981,226</u>	<u>981,226</u>	<u>981,226</u>	<u>-</u>
Fund balances - Ending	<u><u>\$ 922,226</u></u>	<u><u>\$ 911,369</u></u>	<u><u>\$ 954,784</u></u>	<u><u>\$ 43,415</u></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (26,442)	
To adjust revenues for accruals			23,398	
To adjust expenditures for accruals			(19,197)	
To adjust expenditures for encumbrances			6,498	
			<u>6,498</u>	
Net change in fund balance, GAAP basis			<u><u>\$ (15,743)</u></u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Loss Recovery Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 17,000	\$ 31,960	\$ 22,331	\$ (9,629)
Expenditures:				
Current:				
General government:				
Supplies	200,000	200,000	67,500	132,500
Other services and charges	2,500,000	4,315,805	4,115,139	200,666
Capital outlay	1,950,000	2,100,000	2,099,076	924
Total expenditures	4,650,000	6,615,805	6,281,715	334,090
Net change in fund balances	(4,633,000)	(6,583,845)	(6,259,384)	324,461
Fund balances - Beginning	7,936,033	7,936,033	7,936,033	-
Fund balances - Ending	\$ 3,303,033	\$ 1,352,188	\$ 1,676,649	\$ 324,461
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (6,259,384)	
To adjust revenues for accruals			5,410	
To adjust expenditures for accruals			(230,638)	
To adjust expenditures for encumbrances			4,187,243	
Net change in fund balance, GAAP basis			\$ (2,297,369)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Emergency Telephone System Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ 215,000	\$ 215,000	\$ 215,000	\$ -
Expenditures:				
Current:				
Public safety - Personnel Services	215,000	215,000	181,349	33,651
Total expenditures	215,000	215,000	181,349	33,651
Net change in fund balances	-	-	33,651	33,651
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ -	\$ 33,651	\$ 33,651
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 33,651	
To adjust revenues for accruals			(215,000)	
To adjust expenditures for accruals			(13,768)	
Net change in fund balance, GAAP basis			\$ (195,117)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Local Road and Street Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,080,000	\$ 1,080,000	\$ 1,017,383	\$ (62,617)
Other	8,000	44,996	43,165	(1,831)
Total revenues	<u>1,088,000</u>	<u>1,124,996</u>	<u>1,060,548</u>	<u>(64,448)</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	350,000	472,663	472,000	663
Other services and charges	7,500	7,500	-	7,500
Capital outlay	<u>725,000</u>	<u>644,357</u>	<u>419,195</u>	<u>225,162</u>
Total expenditures	<u>1,082,500</u>	<u>1,124,520</u>	<u>891,195</u>	<u>233,325</u>
Net change in fund balances	5,500	476	169,353	168,877
Fund balances - Beginning	<u>1,941,375</u>	<u>1,941,375</u>	<u>1,941,375</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,946,875</u>	<u>\$ 1,941,851</u>	<u>\$ 2,110,728</u>	<u>\$ 168,877</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 169,353	
To adjust revenues for accruals			94	
To adjust expenditures for accruals			22,514	
To adjust expenditures for encumbrances			<u>333,721</u>	
Net change in fund balance, GAAP basis			<u>\$ 525,682</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual -Nonmajor Governmental Funds Special Revenue Funds - Excess Welfare Distribution Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 5	\$ 4	\$ (1)
Expenditures:				
Current - Public safety - Supplies	1,146	1,146	1,146	-
Net change in fund balances	(1,146)	(1,141)	(1,142)	(1)
Fund balances - Beginning	1,150	1,150	1,150	-
Fund balances - Ending	\$ 4	\$ 9	\$ 8	\$ (1)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,142)	
To adjust revenues for accruals			1	
Net change in fund balance, GAAP basis			\$ (1,141)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Human Rights Federal Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 187,000	\$ 215,333	\$ 185,783	\$ (29,550)
Other	23,700	23,700	86,915	63,215
Total revenues	210,700	239,033	272,698	33,665
Expenditures:				
Current:				
General government				
Personnel services	112,901	115,401	109,815	5,586
Supplies	4,550	4,550	1,902	2,648
Other services and charges	105,050	152,550	97,501	55,049
Capital outlay	1,500	1,500	-	1,500
Total expenditures	224,001	274,001	209,218	64,783
Net change in fund balances	(13,301)	(34,968)	63,480	98,448
Fund balances - Beginning	466,775	466,775	466,775	-
Fund balances - Ending	\$ 453,474	\$ 431,807	\$ 530,255	\$ 98,448
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 63,480	
To adjust revenues for accruals			1,986	
To adjust expenditures for accruals			(6,169)	
Net change in fund balance, GAAP basis			\$ 59,297	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - East Race Waterway Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 100	\$ 100	\$ 32	\$ (68)
Expenditures:				
Current - Culture and recreation - Supplies	10,000	10,346	9,092	1,254
Total expenditures	10,000	10,346	9,092	1,254
Net change in fund balances	(9,900)	(10,246)	(9,060)	1,186
Fund balances - Beginning	14,372	14,372	14,372	-
Fund balances - Ending	<u>\$ 4,472</u>	<u>\$ 4,126</u>	<u>\$ 5,312</u>	<u>\$ 1,186</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (9,060)	
To adjust revenues for accruals			10	
Net change in fund balance, GAAP basis			<u>\$ (9,050)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Morris and Palais Marketing Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 8,100	\$ 9,500	\$ 10,685	\$ 1,185
Expenditures:				
Current - Culture and recreation - Other services and charges	8,100	18,000	12,931	5,069
Net change in fund balances	-	(8,500)	(2,246)	6,254
Fund balances - Beginning	27,985	27,985	27,985	-
Fund balances - Ending	<u>\$ 27,985</u>	<u>\$ 19,485</u>	<u>\$ 25,739</u>	<u>\$ 6,254</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,246)	
To adjust revenue for accruals			19	
To adjust expenditures for accruals			<u>974</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,253)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police Block Grants Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ -	\$ 11	\$ 11
Net change in fund balances	-	-	11	11
Fund balances - Beginning	3,817	3,817	3,817	-
Fund balances - Ending	\$ 3,817	\$ 3,817	\$ 3,828	\$ 11
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 11	
To adjust revenues for accruals			2	
Net change in fund balance, GAAP basis			\$ 13	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Economic Development Commission Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ -	\$ 77	\$ 77
Net change in fund balances	-	-	77	77
Fund balances - Beginning	27,128	27,128	27,128	-
Fund balances - Ending	<u>\$ 27,128</u>	<u>\$ 27,128</u>	<u>\$ 27,205</u>	<u>\$ 77</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 77	
To adjust revenues for accruals			<u>18</u>	
Net change in fund balance, GAAP basis			<u>\$ 95</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Hazmat Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 34,055	\$ 24,055	\$ (10,000)
Other	-	-	63	63
Total revenues	<u>10,000</u>	<u>34,055</u>	<u>24,118</u>	<u>(9,937)</u>
Expenditures:				
Current:				
Public safety - Supplies	<u>10,000</u>	<u>30,000</u>	<u>22,227</u>	<u>7,773</u>
Net change in fund balances	-	4,055	1,891	(2,164)
Fund balances - Beginning	<u>16,207</u>	<u>16,207</u>	<u>16,207</u>	-
Fund balances - Ending	<u>\$ 16,207</u>	<u>\$ 20,262</u>	<u>\$ 18,098</u>	<u>\$ (2,164)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,891	
To adjust revenues for accruals			13,800	
To adjust expenditures for accruals			(20,939)	
To adjust expenditures for encumbrances			<u>21,530</u>	
Net change in fund balance, GAAP basis			<u>\$ 16,282</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Indiana River Rescue Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 45,000	\$ 45,000	\$ 40,000	\$ (5,000)
Intergovernmental	-	-	975	975
Other	200	350	300	(50)
Total revenues	<u>45,200</u>	<u>45,350</u>	<u>41,275</u>	<u>(4,075)</u>
Expenditures:				
Current:				
Public safety:				
Personnel services	2,500	2,500	2,474	26
Supplies	8,800	8,800	1,973	6,827
Other services and charges	41,000	41,000	27,146	13,854
Total expenditures	<u>52,300</u>	<u>52,300</u>	<u>31,593</u>	<u>20,707</u>
Net change in fund balances	(7,100)	(6,950)	9,682	16,632
Fund balances - Beginning	<u>95,718</u>	<u>95,718</u>	<u>95,718</u>	<u>-</u>
Fund balances - Ending	<u>\$ 88,618</u>	<u>\$ 88,768</u>	<u>\$ 105,400</u>	<u>\$ 16,632</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 9,682	
To adjust revenues for accruals			67	
To adjust expenditures for accruals			(394)	
Net change in fund balance, GAAP basis			<u>\$ 9,355</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Cops Block Grant II Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ -	\$ 228,060	\$ 76,866	\$ (151,194)
Expenditures:				
Current:				
Public safety:				
Other services and charges	-	148,264	148,263	1
Supplies	-	15,936	15,144	792
Capital outlay	90,000	63,860	37,702	26,158
Total expenditures	90,000	228,060	201,109	26,951
Net change in fund balances	(90,000)	-	(124,243)	(124,243)
Fund balances - Beginning	204,509	204,509	204,509	-
Fund balances - Ending	\$ 114,509	\$ 204,509	\$ 80,266	\$ (124,243)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (124,243)	
To adjust revenues for accruals			140	
To adjust expenditures for accruals			(15,298)	
To adjust expenditures for encumbrances			15,145	
Net change in fund balance, GAAP basis			\$ (124,256)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Regional Police Academy Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 18,275	\$ (1,725)
Other	2,000	2,000	223	(1,777)
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>18,498</u>	<u>(3,502)</u>
Expenditures:				
Current:				
Public Safety:				
Supplies	1,750	1,750	1,305	445
Other services and charges	22,000	22,000	16,995	5,005
Total expenditures	<u>23,750</u>	<u>23,750</u>	<u>18,300</u>	<u>5,450</u>
Net change in fund balances	(1,750)	(1,750)	198	1,948
Fund balances - Beginning	<u>68,085</u>	<u>68,085</u>	<u>68,085</u>	<u>-</u>
Fund balances - Ending	<u>\$ 66,335</u>	<u>\$ 66,335</u>	<u>\$ 68,283</u>	<u>\$ 1,948</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 198	
To adjust revenues for accruals			(2,203)	
To adjust expenditures for accruals			<u>(2,588)</u>	
Net change in fund balance, GAAP basis			<u>\$ (4,593)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - COPS MORE Grant Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
	\$	\$		
Revenues - Other	41,600	41,600	12,414	(29,186)
Expenditures:				
Current:				
Public safety:				
Supplies	15,000	44,000	39,284	4,716
Other services and charges	16,000	16,000	10,976	5,024
Capital outlay	110,600	81,600	-	81,600
Total expenditures	141,600	141,600	50,260	91,340
Net change in fund balances	(100,000)	(100,000)	(37,846)	62,154
Fund balances - Beginning	113,343	113,343	113,343	-
Fund balances - Ending	13,343	13,343	75,497	62,154
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (37,846)	
To adjust revenues for accruals			141	
To adjust expenditures for accruals			(20,550)	
To adjust expenditures for encumbrances			30,735	
Net change in fund balance, GAAP basis			\$ (27,520)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Federal Drug Enforcement Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 59,110	\$ (15,890)
Other	2,000	8,636	8,614	(22)
Total revenues	<u>77,000</u>	<u>83,636</u>	<u>67,724</u>	<u>(15,912)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	40,000	56,499	48,526	7,973
Other services and charges	40,000	45,000	41,596	3,404
Capital outlay	70,000	65,000	41,179	23,821
Total expenditures	<u>150,000</u>	<u>166,499</u>	<u>131,301</u>	<u>35,198</u>
Net change in fund balances	(73,000)	(82,863)	(63,577)	19,286
Fund balances - Beginning	<u>385,160</u>	<u>385,160</u>	<u>385,160</u>	-
Fund balances - Ending	<u>\$ 312,160</u>	<u>\$ 302,297</u>	<u>\$ 321,583</u>	<u>\$ 19,286</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (63,577)	
To adjust revenues for accruals			1,726	
To adjust expenditures for accruals			(16,341)	
To adjust expenditures for encumbrances			<u>23,960</u>	
Net change in fund balance, GAAP basis			<u>\$ (54,232)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Gift Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 7,290	\$ 178,403	\$ 175,300	\$ (3,103)
Expenditures:				
Supplies		22,100	16,176	5,924
Other services and charges	-	178,910	177,100	1,810
Total expenditures	-	201,010	193,276	7,734
Net change in fund balances	7,290	(22,607)	(17,976)	4,631
Fund balances - Beginning	74,734	74,734	74,734	-
Fund balances - Ending	\$ 82,024	\$ 52,127	\$ 56,758	\$ 4,631
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (17,976)	
To adjust revenues for accruals			53	
To adjust expenditures for accruals			(32,725)	
To adjust expenditures for encumbrances			81,182	
Net change in fund balance, GAAP basis			\$ 30,534	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Urban Development Action Grant Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 110	\$ 110	\$ 78	\$ (32)
Net change in fund balances	110	110	78	(32)
Fund balances - Beginning	27,587	27,587	27,587	-
Fund balances - Ending	\$ 27,697	\$ 27,697	\$ 27,665	\$ (32)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 78	
To adjust revenues for accruals			20	
			-	
Net change in fund balance, GAAP basis			\$ 98	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Leaf Collection and Removal Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 429,000	\$ 429,000	\$ 436,317	\$ 7,317
Other	2,700	2,700	3,076	376
Total revenues	431,700	431,700	439,393	7,693
Expenditures:				
Current:				
General government:				
Personnel services	64,378	54,578	29,421	25,157
Supplies	7,067	8,369	7,050	1,319
Other services and charges	101,367	111,167	105,684	5,483
Other uses	6,000	6,000	5,388	612
Total expenditures	178,812	180,114	147,543	32,571
Other financing uses -				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net change in fund balances	2,888	1,586	41,850	40,264
Fund balances - Beginning	938,578	938,578	938,578	-
Fund balances - Ending	\$ 941,466	\$ 940,164	\$ 980,428	\$ 40,264
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 41,850	
To adjust revenues for accruals			661	
To adjust expenditures for accruals			(82)	
Net change in fund balance, GAAP basis			\$ 42,429	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police K-9 Unit Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,000	\$ 2,000	\$ 2,006	\$ 6
Expenditures:				
Current - Public safety -				
Other services and charges	2,000	2,000	-	2,000
Net change in fund balances	-	-	2,006	2,006
Fund balances - Beginning	1,313	1,313	1,313	-
Fund balances - Ending	\$ 1,313	\$ 1,313	\$ 3,319	\$ 2,006
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,006	
To adjust revenues for accruals			501	
Net change in fund balance, GAAP basis			\$ 2,507	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Rainy Day Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 52,000	\$ 52,000	\$ 24,483	\$ (27,517)
Net change in fund balances	52,000	52,000	24,483	(27,517)
Fund balances - Beginning	8,617,705	8,617,705	8,617,705	-
Fund balances - Ending	\$ 8,669,705	\$ 8,669,705	\$ 8,642,188	\$ (27,517)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 24,483	
To adjust revenues for accruals			5,970	
Net change in fund balance, GAAP basis			\$ 30,453	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Excess Levy Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 3,648	\$ 3,648	\$ -
Net change in fund balances	-	3,648	3,648	-
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 3,648	\$ 3,648	\$ -
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,648	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			\$ 3,648	

City of South Bend, Indiana

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 Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,115,126	\$ 497,000	\$ 497,768	\$ 768
Intergovernmental	152,990	153,030	131,360	(21,670)
Total revenues	1,268,116	650,030	629,128	(20,902)
Expenditures:				
Debt service:				
Principal	1,125,000	1,130,000	1,130,000	-
Interest and fiscal agent fees	143,116	141,300	141,341	(41)
Total expenditures	1,268,116	1,271,300	1,271,341	(41)
Net change in fund balances	-	(621,270)	(642,213)	(20,943)
Fund balances - Beginning	716,336	716,336	716,336	-
Fund balances - Ending	\$ 716,336	\$ 95,066	\$ 74,123	\$ (20,943)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (642,213)	
To adjust revenues for accruals			(5,369)	
To adjust expenditures for accruals			7,883	
Net change in fund balance, GAAP basis			\$ (639,699)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Redevelopment Bond - Airport Taxable Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 5,000	\$ 5,000	\$ 2,949	\$ (2,051)
Other financing uses - Transfers out	(5,000)	(5,000)	(3,548)	1,452
Net change in fund balances	-	-	(599)	(599)
Fund balances - Beginning	1,038,904	1,038,904	1,038,904	-
Fund balances - Ending	\$ 1,038,904	\$ 1,038,904	\$ 1,038,305	\$ (599)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (599)	
To adjust revenues for accruals			852	
Net change in fund balance, GAAP basis			\$ 253	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Coveleski Bond Debt Service Reserve Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 3,000	\$ 1,800	\$ 1,430	\$ (370)
Net change in fund balances	3,000	1,800	1,430	(370)
Fund balances - Beginning	503,472	503,472	503,472	-
Fund balances - Ending	\$ 506,472	\$ 505,272	\$ 504,902	\$ (370)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,430	
To adjust revenues for accruals			349	
Net change in fund balance, GAAP basis			\$ 1,779	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Redevelopment Bond - Palais Royale Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 6,000	\$ 6,000	\$ 4,927	\$ (1,073)
Other financing uses - Transfers out	(6,000)	(6,000)	(5,929)	71
Net change in fund balances	-	-	(1,002)	(1,002)
Fund balances - Beginning	1,735,840	1,735,840	1,735,840	-
Fund balances - Ending	\$ 1,735,840	\$ 1,735,840	\$ 1,734,838	\$ (1,002)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,002)	
To adjust revenues for accruals			1,425	
Net change in fund balance, GAAP basis			\$ 423	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Emergency Medical Services Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,629,000	\$ 2,634,219	\$ 2,725,245	\$ 91,026
Other	32,000	38,716	26,481	(12,235)
Total revenues	<u>2,661,000</u>	<u>2,672,935</u>	<u>2,751,726</u>	<u>78,791</u>
Expenditures:				
Public safety:				
Supplies	150,000	300,000	229,381	70,619
Other services and charges	749,106	768,058	619,466	148,592
Capital outlay	775,000	4,219,241	3,796,118	423,123
Total expenditures	<u>1,674,106</u>	<u>5,287,299</u>	<u>4,644,965</u>	<u>642,334</u>
Other financing uses - Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Net change in fund balances	(13,106)	(3,614,364)	(2,893,239)	721,125
Fund balances - Beginning	<u>5,554,585</u>	<u>5,554,585</u>	<u>5,554,585</u>	<u>-</u>
Fund balances - Ending	<u>\$ 5,541,479</u>	<u>\$ 1,940,221</u>	<u>\$ 2,661,346</u>	<u>\$ 721,125</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (2,893,239)	
To adjust revenues for accruals			508,657	
To adjust expenditures for accruals			406,386	
To adjust expenditures for encumbrances			<u>198,333</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,779,863)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Professional Sports Development Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 551,252	\$ (48,748)
Other	<u>78,228</u>	<u>78,228</u>	<u>68,328</u>	<u>(9,900)</u>
Total revenues	<u>678,228</u>	<u>678,228</u>	<u>619,580</u>	<u>(58,648)</u>
Expenditures:				
Culture and recreation:				
Other services and charges	765,746	765,746	765,545	201
Other uses	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>865,746</u>	<u>865,746</u>	<u>865,545</u>	<u>201</u>
Net change in fund balances	(187,518)	(187,518)	(245,965)	(58,447)
Fund balances - Beginning	<u>842,057</u>	<u>842,057</u>	<u>842,057</u>	<u>-</u>
Fund balances - Ending	<u>\$ 654,539</u>	<u>\$ 654,539</u>	<u>\$ 596,092</u>	<u>\$ (58,447)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (245,965)	
To adjust revenues for accruals			<u>37,378</u>	
Net change in fund balance, GAAP basis			<u>\$ (208,587)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Coveleski Stadium Capital Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 500	\$ 14,026	\$ 13,600	\$ (426)
Expenditures:				
Culture and recreation:				
Supplies	-	2,002	-	2,002
Other services and charges	-	1,538	-	1,538
Total expenditures	-	3,540	-	3,540
Net change in fund balances	500	10,486	13,600	3,114
Fund balances - Beginning	26,850	26,850	26,850	-
Fund balances - Ending	\$ 27,350	\$ 37,336	\$ 40,450	\$ 3,114
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,600	
To adjust revenues for accruals			19	
Net change in fund balance, GAAP basis			\$ 13,619	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Zoo Endowment Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,900	\$ 2,900	\$ 139	\$ (2,761)
Net change in fund balances	2,900	2,900	139	(2,761)
Fund balances - Beginning	49,022	49,022	49,022	-
Fund balances - Ending	<u>\$ 51,922</u>	<u>\$ 51,922</u>	<u>\$ 49,161</u>	<u>\$ (2,761)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 139	
To adjust revenues for accruals			<u>34</u>	
Net change in fund balance, GAAP basis			<u>\$ 173</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Park Nonreverting Capital Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000	\$ 36,695	\$ 39,276	\$ 2,581
Other	2,200	2,200	1,083	(1,117)
Total revenues	5,200	38,895	40,359	1,464
Expenditures:				
Culture and recreation:				
Supplies	-	64,217	59,348	4,869
Other services and charges	-	46,000	44,489	1,511
Capital outlay	176,800	95,000	95,000	-
Total expenditures	176,800	205,217	198,837	6,380
Other financing sources - Transfers in	190,500	207,525	96,819	(110,706)
Net change in fund balances	18,900	41,203	(61,659)	(102,862)
Fund balances - Beginning	572,891	572,891	572,891	-
Fund balances - Ending	\$ 591,791	\$ 614,094	\$ 511,232	\$ (102,862)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (61,659)	
To adjust revenues for accruals			4,398	
To adjust expenditures for accruals			20,389	
To adjust expenditures for encumbrances			9,933	
Net change in fund balance, GAAP basis			\$ (26,939)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Cumulative Capital Development Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 477,722	\$ 430,000	\$ 430,786	\$ 786
Intergovernmental	87,294	87,294	84,926	(2,368)
Other	3,500	3,500	2,674	(826)
Total revenues	<u>568,516</u>	<u>520,794</u>	<u>518,386</u>	<u>(2,408)</u>
Expenditures:				
General government -				
Other services and charges	<u>722,935</u>	<u>722,935</u>	<u>722,934</u>	<u>1</u>
Total expenditures	<u>722,935</u>	<u>722,935</u>	<u>722,934</u>	<u>1</u>
Net change in fund balances	(154,419)	(202,141)	(204,548)	(2,407)
Fund balances - Beginning	<u>785,798</u>	<u>785,798</u>	<u>785,798</u>	<u>-</u>
Fund balances - Ending	<u>\$ 631,379</u>	<u>\$ 583,657</u>	<u>\$ 581,250</u>	<u>\$ (2,407)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (204,548)	
To adjust revenues for accruals			<u>(1,334)</u>	
Net change in fund balance, GAAP basis			<u>\$ (205,882)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Cumulative Capital Improvement Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 409,000	\$ 409,000	\$ 417,476	\$ 8,476
Other	25,150	25,150	25,083	(67)
Total revenues	<u>434,150</u>	<u>434,150</u>	<u>442,559</u>	<u>8,409</u>
Expenditures - General government -				
Other services and charges	<u>364,762</u>	<u>369,800</u>	<u>369,800</u>	<u>-</u>
Net change in fund balances	69,388	64,350	72,759	8,409
Fund balances - Beginning	<u>176,724</u>	<u>176,724</u>	<u>176,724</u>	<u>-</u>
Fund balances - Ending	<u>\$ 246,112</u>	<u>\$ 241,074</u>	<u>\$ 249,483</u>	<u>\$ 8,409</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 72,759	
To adjust revenues for accruals			<u>125</u>	
Net change in fund balance, GAAP basis			<u>\$ 72,884</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Morris Performing Arts Center Capital Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 75,000	\$ 79,779	\$ 4,779
Other	1,500	1,725	1,353	(372)
Total revenues	101,500	76,725	81,132	4,407
Expenditures:				
Culture and recreation:				
Supplies	14,700	14,700	10,793	3,907
Other services and charges	23,000	38,500	21,977	16,523
Capital outlay	15,500	-	-	-
Total expenditures	53,200	53,200	32,770	20,430
Net change in fund balances	48,300	23,525	48,362	24,837
Fund balances - Beginning	456,810	456,810	456,810	-
Fund balances - Ending	<u>\$ 505,110</u>	<u>\$ 480,335</u>	<u>\$ 505,172</u>	<u>\$ 24,837</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 48,362	
To adjust revenues for accruals			(3,386)	
To adjust expenditures for accruals			(1,268)	
To adjust expenditures for encumbrances			<u>10,248</u>	
Net change in fund balance, GAAP basis			<u>\$ 53,956</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF Downtown Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,650,000	\$ 4,309,727	\$ 4,309,727	\$ -
Intergovernmental	401,000	401,000	400,000	(1,000)
Charges for Services	34,000	43,700	37,703	(5,997)
Other	327,336	354,351	332,000	(22,351)
Total revenues	<u>4,412,336</u>	<u>5,108,778</u>	<u>5,079,430</u>	<u>(29,348)</u>
Expenditures:				
Economic Development:				
Other services and charges	3,318,466	3,585,669	3,530,928	54,741
Capital outlay	2,349,245	2,243,592	263,397	1,980,195
Total expenditures	<u>5,667,711</u>	<u>5,829,261</u>	<u>3,794,325</u>	<u>2,034,936</u>
Other financing sources - Transfers in	<u>6,000</u>	<u>6,000</u>	<u>5,929</u>	<u>(71)</u>
Net change in fund balances	(1,249,375)	(714,483)	1,291,034	2,005,517
Fund balances - Beginning	<u>2,604,474</u>	<u>2,604,474</u>	<u>2,604,474</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,355,099</u>	<u>\$ 1,889,991</u>	<u>\$ 3,895,508</u>	<u>\$ 2,005,517</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,291,034	
To adjust revenues for accruals			(1,177,498)	
To adjust expenditures for accruals			22,973	
To adjust expenditures for encumbrances			<u>192,967</u>	
Net change in fund balance, GAAP basis			<u>\$ 329,476</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF Leighton Plaza Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 164,303	\$ 194,285	\$ 165,150	\$ (29,135)
Expenditures:				
Economic Development:				
Supplies	9,450	9,450	4,547	4,903
Other services and charges	118,923	118,923	101,722	17,201
Capital outlay	21,052	21,052	19,423	1,629
Total expenditures	149,425	149,425	125,692	23,733
Net change in fund balances	14,878	44,860	39,458	(5,402)
Fund balances - Beginning	133,067	133,067	133,067	-
Fund balances - Ending	\$ 147,945	\$ 177,927	\$ 172,525	\$ (5,402)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 39,458	
To adjust revenues for accruals			6,974	
To adjust expenditures for accruals			(2,885)	
Net change in fund balance, GAAP basis			\$ 43,547	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - West Washington Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 420,000	\$ 580,988	\$ 580,987	\$ (1)
Other	2,000	2,500	1,812	(688)
Total revenues	<u>422,000</u>	<u>583,488</u>	<u>582,799</u>	<u>(689)</u>
Expenditures:				
Economic Development:				
Other services and charges	-	30,921	30,612	309
Capital outlay	<u>648,915</u>	<u>626,613</u>	<u>8,300</u>	<u>618,313</u>
Total expenditures	<u>648,915</u>	<u>657,534</u>	<u>38,912</u>	<u>618,622</u>
Net change in fund balances	(226,915)	(74,046)	543,887	617,933
Fund balances - Beginning	<u>612,962</u>	<u>612,962</u>	<u>612,962</u>	<u>-</u>
Fund balances - Ending	<u>\$ 386,047</u>	<u>\$ 538,916</u>	<u>\$ 1,156,849</u>	<u>\$ 617,933</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 543,887	
To adjust revenues for accruals			(61,287)	
To adjust expenditures for accruals			13	
To adjust expenditures for encumbrances			<u>38,900</u>	
Net change in fund balance, GAAP basis			<u>\$ 521,513</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Redevelopment General Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 60	\$ 45	\$ (15)
Expenditures:				
Economic Development -				
Other services and charges	-	20,000	15,703	4,297
Net change in fund balances	-	(19,940)	(15,658)	4,282
Fund balances - Beginning	25,748	25,748	25,748	-
Fund balances - Ending	<u>\$ 25,748</u>	<u>\$ 5,808</u>	<u>\$ 10,090</u>	<u>\$ 4,282</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (15,658)	
To adjust revenues for accruals			19	
To adjust expenditures for accruals			<u>6,072</u>	
Net change in fund balance, GAAP basis			<u>\$ (9,567)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Community Revitalization Enhancement District Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 650,000	\$ 650,000	\$ -	\$ (650,000)
Other	1,000	1,000	301	(699)
Total revenues	651,000	651,000	301	(650,699)
Expenditures:				
Economic Development - Other services and charges	650,950	650,950	-	650,950
Net change in fund balances	50	50	301	251
Fund balances - Beginning	9,537	9,537	9,537	-
Fund balances - Ending	\$ 9,587	\$ 9,587	\$ 9,838	\$ 251
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 301	
To adjust revenues for accruals			(2)	
Net change in fund balance, GAAP basis			\$ 299	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF No. 1 - Southside Development Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,379,212	\$ (120,788)
Other	15,000	15,000	9,600	(5,400)
Total revenues	<u>2,515,000</u>	<u>2,515,000</u>	<u>2,388,812</u>	<u>(126,188)</u>
Expenditures:				
Economic Development:				
Other services and charges	7,500	804,334	800,147	4,187
Capital outlay	<u>5,692,500</u>	<u>5,683,623</u>	<u>1,293,554</u>	<u>4,390,069</u>
Total expenditures	<u>5,700,000</u>	<u>6,487,957</u>	<u>2,093,701</u>	<u>4,394,256</u>
Other financing sources - Transfers in	<u>1,100,000</u>	-	-	-
Net change in fund balances	(2,085,000)	(3,972,957)	295,111	4,268,068
Fund balances - Beginning	<u>3,439,648</u>	<u>3,439,648</u>	<u>3,439,648</u>	-
Fund balances - Ending	<u>\$ 1,354,648</u>	<u>\$ (533,309)</u>	<u>\$ 3,734,759</u>	<u>\$ 4,268,068</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 295,111	
To adjust revenues for accruals			(80,807)	
To adjust expenditures for accruals			(403,497)	
To adjust expenditures for encumbrances			<u>1,222,535</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,033,342</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF No. 3 - Southside Development Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 27,575	\$ 9,175	\$ (18,400)
Other	15,000	27,000	17,145	(9,855)
Total revenues	15,000	54,575	26,320	(28,255)
Expenditures:				
Economic Development -				
Other services and charges	493,495	494,151	492,151	2,000
Net change in fund balances	(478,495)	(439,576)	(465,831)	(26,255)
Fund balances - Beginning	6,968,686	6,968,686	6,968,686	-
Fund balances - Ending	\$ 6,490,191	\$ 6,529,110	\$ 6,502,855	\$ (26,255)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (465,831)	
To adjust revenues for accruals			4,437	
To adjust expenditures for accruals			656	
Net change in fund balance, GAAP basis			\$ (460,738)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Central Medical Service Area Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,600,000	\$ 851,211	\$ 851,211	\$ -
Other	15,000	15,000	6,983	(8,017)
Total revenues	<u>1,615,000</u>	<u>866,211</u>	<u>858,194</u>	<u>(8,017)</u>
Expenditures:				
Economic Development:				
Other services and charges	2,500	1,737,312	1,737,311	1
Capital outlay	<u>3,700,000</u>	<u>2,366,192</u>	<u>237,889</u>	<u>2,128,303</u>
Total expenditures	<u>3,702,500</u>	<u>4,103,504</u>	<u>1,975,200</u>	<u>2,128,304</u>
Net change in fund balances	(2,087,500)	(3,237,293)	(1,117,006)	2,120,287
Fund balances - Beginning (restated)	<u>3,232,412</u>	<u>3,232,412</u>	<u>3,232,412</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,144,912</u>	<u>\$ (4,881)</u>	<u>\$ 2,115,406</u>	<u>\$ 2,120,287</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,117,006)	
To adjust revenues for accruals			(416,826)	
To adjust expenditures for accruals			1,240,901	
To adjust expenditures for encumbrances			<u>179,125</u>	
Net change in fund balance, GAAP basis			<u>\$ (113,806)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Football Hall of Fame Capital Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,500	\$ 2,500	\$ 1,823	\$ (677)
Expenditures:				
Culture and Recreation:				
Supplies	15,000	15,000	419	14,581
Other services and charges	164,659	173,567	100,590	72,977
Total expenditures	179,659	188,567	101,009	87,558
Other financing sources - Transfers in	-	98,544	98,544	-
Net change in fund balances	(177,159)	(87,523)	(642)	86,881
Fund balances - Beginning	658,407	658,407	658,407	-
Fund balances - Ending	\$ 481,248	\$ 570,884	\$ 657,765	\$ 86,881
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (642)	
To adjust revenues for accruals			451	
To adjust expenditures for accruals			191	
Net change in fund balance, GAAP basis			\$ -	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Major Moves Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 581,798	\$ 581,798	\$ 536,455	\$ (45,343)
Expenditures:				
Highways and streets - Capital outlay	4,500,000	5,823,729	5,804,750	18,979
Net change in fund balances	(3,918,202)	(5,241,931)	(5,268,295)	(26,364)
Fund balances - Beginning	7,143,898	7,143,898	7,143,898	-
Fund balances - Ending	\$ 3,225,696	\$ 1,901,967	\$ 1,875,603	\$ (26,364)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,268,295)	
To adjust revenues for accruals			(280,533)	
To adjust expenditures for accruals			(133,471)	
To adjust expenditures for encumbrances			1,766,061	
Net change in fund balance, GAAP basis			\$ (3,916,238)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Northeast Development Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 820,000	\$ 1,568,240	\$ 1,568,240	\$ -
Other	7,000	9,000	8,751	(249)
Total revenues	<u>827,000</u>	<u>1,577,240</u>	<u>1,576,991</u>	<u>(249)</u>
Expenditures:				
Economic Development:				
Other services and charges	20,000	151,577	126,659	24,918
Capital outlay	<u>2,330,000</u>	<u>2,654,540</u>	<u>90,166</u>	<u>2,564,374</u>
Total expenditures	<u>2,350,000</u>	<u>2,806,117</u>	<u>216,825</u>	<u>2,589,292</u>
Net change in fund balances	(1,523,000)	(1,228,877)	1,360,166	2,589,043
Fund balances - Beginning	<u>3,008,791</u>	<u>3,008,791</u>	<u>3,008,791</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,485,791</u>	<u>\$ 1,779,914</u>	<u>\$ 4,368,957</u>	<u>\$ 2,589,043</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,360,166	
To adjust revenues for accruals			(251,446)	
To adjust expenditures for accruals			(112,340)	
To adjust expenditures for encumbrances			<u>187,524</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,183,904</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Douglas Road Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 320,000	\$ 321,895	\$ 321,895	\$ -
Other	750	750	557	(193)
Total revenues	<u>320,750</u>	<u>322,645</u>	<u>322,452</u>	<u>(193)</u>
Expenditures:				
Economic Development:				
Other services and charges	190,463	399,823	399,821	2
Capital outlay	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>345,463</u>	<u>399,823</u>	<u>399,821</u>	<u>2</u>
Net change in fund balances	(24,713)	(77,178)	(77,369)	(191)
Fund balances - Beginning	<u>294,600</u>	<u>294,600</u>	<u>294,600</u>	<u>-</u>
Fund balances - Ending	<u>\$ 269,887</u>	<u>\$ 217,422</u>	<u>\$ 217,231</u>	<u>\$ (191)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (77,369)	
To adjust revenues for accruals			200	
To adjust expenditures for accruals			37,312	
To adjust expenditures for encumbrances			<u>4,200</u>	
Net change in fund balance, GAAP basis			<u>\$ (35,657)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Northeast Residential Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,500,000	\$ 2,725,909	\$ 2,725,909	\$ -
Other	10,000	4,200	2,396	(1,804)
Total revenues	<u>2,510,000</u>	<u>2,730,109</u>	<u>2,728,305</u>	<u>(1,804)</u>
Expenditures:				
Economic Development:				
Other services and charges	3,323,228	3,368,654	3,362,307	6,347
Capital outlay	-	214,574	214,573	1
Total expenditures	<u>3,323,228</u>	<u>3,583,228</u>	<u>3,576,880</u>	<u>6,348</u>
Net change in fund balances	(813,228)	(853,119)	(848,575)	4,544
Fund balances - Beginning	<u>2,554,079</u>	<u>2,554,079</u>	<u>2,554,079</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,740,851</u>	<u>\$ 1,700,960</u>	<u>\$ 1,705,504</u>	<u>\$ 4,544</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (848,575)	
To adjust revenues for accruals			(212,716)	
To adjust expenditures for accruals			<u>248,190</u>	
Net change in fund balance, GAAP basis			<u>\$ (813,101)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Certified Technology Park Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,453,000	\$ 1,462,000	\$ 1,337,965	\$ (124,035)
Expenditures -				
Economic Development - Capital outlay	3,600,000	3,600,000	-	3,600,000
Net change in fund balances	(2,147,000)	(2,138,000)	1,337,965	3,475,965
Fund balances - Beginning	3,682,595	3,682,595	3,682,595	-
Fund balances - Ending	\$ 1,535,595	\$ 1,544,595	\$ 5,020,560	\$ 3,475,965
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,337,965	
To adjust revenues for accruals			2,610	
Net change in fund balance, GAAP basis			\$ 1,340,575	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Palais Royale Historical Preservation Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 16,125	\$ 10,500	\$ 9,766	\$ (734)
Expenditures - Culture and Recreation - Other services and charges	10,000	10,000	-	10,000
Net change in fund balances	6,125	500	9,766	9,266
Fund balances - Beginning	53,395	53,395	53,395	-
Fund balances - Ending	\$ 59,520	\$ 53,895	\$ 63,161	\$ 9,266
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 9,766	
To adjust revenues for accruals			44	
To adjust expenditures for accruals			(1,758)	
Net change in fund balance, GAAP basis			\$ 8,052	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Airport Urban Enterprise Zone Year Ended December 31, 2014

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,500	\$ 1,500	\$ 1,069	\$ (431)
Net change in fund balances	1,500	1,500	1,069	(431)
Fund balances - Beginning	376,372	376,372	376,372	-
Fund balances - Ending	\$ 377,872	\$ 377,872	\$ 377,441	\$ (431)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,069	
To adjust revenues for accruals			230	
Net change in fund balance, GAAP basis			\$ 1,299	

City of South Bend, Indiana

Other Supplementary Information Nonmajor Enterprise Funds Fund Descriptions

Consolidated Building - The consolidated building fund accounts for the operation of the consolidated St. Joseph County/South Bend Building Department.

Parking Garage - The parking garage fund accounts for the operation and maintenance of the City's parking garages.

Solid Waste - The solid waste fund accounts for the provision of solid waste services.

Blackthorn Golf Course - The Blackthorn Golf Course fund accounts for the operation and maintenance of the City's Blackthorn Golf Course.

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2014

	Consolidated Building	Parking Garage	Solid Waste	Blackthorn Golf Course	Total
Assets					
Current assets:					
Cash and cash equivalents	171,242	248,724	102,281	83,501	605,748
Investments	562,739	823,753	338,744	-	1,725,236
Receivables:					
Accounts	6,820	408	426,018	6,312	439,558
Interest	819	1,200	474	-	2,493
Inventory	-	-	-	6,344	6,344
Prepaid expenses	-	-	-	3,000	3,000
Total current assets	<u>741,620</u>	<u>1,074,085</u>	<u>867,517</u>	<u>99,157</u>	<u>2,782,379</u>
Noncurrent assets -					
Capital assets:					
Assets not subject to depreciation	-	1,132,020	-	1,187,248	2,319,268
Assets subject to depreciation	<u>1,850,553</u>	<u>3,743,398</u>	<u>2,777,960</u>	<u>1,703,419</u>	<u>10,075,330</u>
Total noncurrent assets	<u>1,850,553</u>	<u>4,875,418</u>	<u>2,777,960</u>	<u>2,890,667</u>	<u>12,394,598</u>
Total assets	<u>2,592,173</u>	<u>5,949,503</u>	<u>3,645,477</u>	<u>2,989,824</u>	<u>15,176,977</u>
Deferred Outflows of Resources -					
Unamortized loss on sale/leaseback	-	562,654	-	-	562,654
Liabilities					
Current liabilities:					
Accounts payable	\$ 15,081	\$ 152,447	\$ 157,699	\$ 2,720	\$ 327,947
Due to other funds	1,406	-	-	-	1,406
Performance deposits payable	37,437	-	-	-	37,437
Accrued liabilities and other:					
Accrued payroll payable	182,018	-	116,011	-	298,029
Accrued interest payable	204	-	7,649	300	8,153
Other current payables	-	-	-	700	700
Capital leases	<u>20,517</u>	<u>-</u>	<u>633,370</u>	<u>56,916</u>	<u>710,803</u>
Total current liabilities	<u>256,663</u>	<u>152,447</u>	<u>914,729</u>	<u>60,636</u>	<u>1,384,475</u>
Noncurrent liabilities:					
Advances from other funds	-	-	-	1,472,130	1,472,130
Capital leases	<u>36,632</u>	<u>-</u>	<u>1,268,884</u>	<u>200,322</u>	<u>1,505,838</u>
Total noncurrent liabilities	<u>36,632</u>	<u>-</u>	<u>1,268,884</u>	<u>1,672,452</u>	<u>2,977,968</u>
Total liabilities	<u>293,295</u>	<u>152,447</u>	<u>2,183,613</u>	<u>1,733,088</u>	<u>4,362,443</u>
Deferred Inflows of Resources					
Unamortized gain on sale/leaseback	-	7,970	-	-	7,970
Net Position					
Net investment in capital assets	1,793,404	4,875,418	875,706	2,633,429	10,177,957
Unrestricted	<u>505,474</u>	<u>1,476,322</u>	<u>586,158</u>	<u>(1,376,693)</u>	<u>1,191,261</u>
Total net position	<u>\$ 2,298,878</u>	<u>\$ 6,351,740</u>	<u>\$ 1,461,864</u>	<u>\$ 1,256,736</u>	<u>\$ 11,369,218</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended December 31, 2014

	Consolidated			Blackthorn Golf	
	Building	Parking Garage	Solid Waste	Course	Total
Operating Revenue					
Licenses and permits	\$ 1,191,534	\$ -	\$ -	\$ -	\$ 1,191,534
Parking fees	-	953,065	-	-	953,065
Solid waste fees	-	-	4,790,653	-	4,790,653
Golf course fees	-	-	-	1,548,341	1,548,341
Other	196,037	64,153	505,059	-	765,249
Total operating revenue	1,387,571	1,017,218	5,295,712	1,548,341	9,248,842
Operating Expenses					
Operating and maintenance	3,092,889	-	4,811,696	1,586,513	9,491,098
Billing and administrative costs	30,944	830,644	465,372	130,936	1,457,896
Customer service	-	-	73,458	-	73,458
Depreciation	124,860	269,612	427,958	157,513	979,943
Total operating expenses	3,248,693	1,100,256	5,778,484	1,874,962	12,002,395
Operating Loss	(1,861,122)	(83,038)	(482,772)	(326,621)	(2,753,553)
Nonoperating Revenue (Expenses)					
Investment income	1,060	3,407	1,679	(147)	5,999
Interest expense	(1,114)	-	-	-	(1,114)
Other nonoperating revenue (expenses) - Charges	7,487	(560,340)	(33,042)	-	(585,895)
Total nonoperating revenue (expense)	7,433	(556,933)	(31,363)	(147)	(581,010)
Loss - Before contributions	(1,853,689)	(639,971)	(514,135)	(326,768)	(3,334,563)
Capital Contributions					
Other capital contributions	1,887,724	2,682	-	738,779	2,629,185
Transfers in	2,306,560	-	-	269,985	2,576,545
Change in Net Position	2,340,595	(637,289)	(514,135)	681,996	1,871,167
Net Position - Beginning of year	(41,717)	6,989,029	1,975,999	574,740	9,498,051
Net Position - End of year	<u>\$ 2,298,878</u>	<u>\$ 6,351,740</u>	<u>\$ 1,461,864</u>	<u>\$ 1,256,736</u>	<u>\$ 11,369,218</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended December 31, 2014

	Consolidated Building	Parking Garage	Solid Waste	Blackthorn Golf Course	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 1,395,414	\$ 1,018,330	\$ 5,290,701	\$ 1,546,473	\$ 9,250,918
Payments to suppliers	(1,335,120)	(775,034)	(3,677,311)	(1,118,546)	(6,906,011)
Payments to employees	(1,798,354)	-	(1,644,771)	(633,712)	(4,076,837)
Internal activity - Payments to other funds	(5,950)	-	-	-	(5,950)
Net cash (used in) provided by operating activities	(1,744,010)	243,296	(31,381)	(205,785)	(1,737,880)
Cash Flows from Noncapital Financing Activities -					
Transfers from other funds	2,306,560	-	-	53,065	2,359,625
Cash Flows from Capital and Related Financing Activities					
Proceeds from capital debt issued	27,356	-	7,257	293,788	328,401
Proceeds from sales of capital assets	-	-	7,728	-	7,728
Purchase of capital assets	(20,781)	(56,642)	(864,560)	-	(941,983)
Principal paid on capital debt	(17,812)	-	(699,638)	(143,352)	(860,802)
Interest paid on capital debt	(1,078)	-	(36,877)	(5,249)	(43,204)
Net cash (used in) provided by capital and related financing activities	(12,315)	(56,642)	(1,586,090)	145,187	(1,509,860)
Cash Flows from Investing Activities					
Interest received on investments	404	3,156	1,205	(94)	4,671
Purchase of investment securities	(449,929)	(166,413)	-	-	(616,342)
Proceeds from sale and maturities of investment securities	31,862	-	252,489	38,766	323,117
Net cash (used in) provided by investing activities	(417,663)	(163,257)	253,694	38,672	(288,554)
Net Increase (Decrease) in Cash and Cash Equivalents	132,572	23,397	(1,363,777)	31,139	(1,176,669)
Cash and Cash Equivalents - Beginning of year	38,670	225,327	1,466,058	52,362	1,782,417
Cash and Cash Equivalents - End of year	<u>\$ 171,242</u>	<u>\$ 248,724</u>	<u>\$ 102,281</u>	<u>\$ 83,501</u>	<u>\$ 605,748</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) Year Ended December 31, 2014

Balance Sheet Classification of Cash and Cash Equivalents

Cash and investments	\$ 733,981	\$ 1,072,477	\$ 441,025	\$ 83,501	\$ 2,330,984
Less amounts classified as investments	<u>(562,739)</u>	<u>(823,753)</u>	<u>(338,744)</u>	<u>-</u>	<u>(1,725,236)</u>
Total cash and cash equivalents	<u>\$ 171,242</u>	<u>\$ 248,724</u>	<u>\$ 102,281</u>	<u>\$ 83,501</u>	<u>\$ 605,748</u>

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (1,861,122)	\$ (83,038)	\$ (482,772)	\$ (326,621)	\$ (2,753,553)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation and amortization	124,860	269,612	427,958	157,513	979,943
Changes in assets and liabilities:					
Receivables	7,843	1,112	(5,011)	(1,868)	2,076
Inventory	-	-	-	15,694	15,694
Prepaid expenses and other assets	-	-	-	(3,000)	(3,000)
Accounts payable	(23,941)	55,610	(60,056)	(47,503)	(75,890)
Due to other funds	(5,950)	-	-	-	(5,950)
Accrued liabilities and other	<u>14,300</u>	<u>-</u>	<u>88,500</u>	<u>-</u>	<u>102,800</u>
Net cash (used in) provided by operating activities	<u>\$ (1,744,010)</u>	<u>\$ 243,296</u>	<u>\$ (31,381)</u>	<u>\$ (205,785)</u>	<u>\$ (1,737,880)</u>

Noncash Investing, Capital, and Financing Activities

Blackthorn advance adjustment	\$ -	\$ -	\$ -	\$ 216,920	\$ 216,920
Capital asset contributions	1,887,724	2,682	-	738,779	2,629,185

City of South Bend, Indiana

Other Supplementary Information Internal Service Funds Fund Descriptions

Liability Insurance Premium Reserve - The Liability Insurance Premium Reserve fund accounts 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, Indiana

Other Supplementary Information Combining Statement of Net Position Internal Service Funds December 31, 2014

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
Assets						
Current assets:						
Cash and cash equivalents	1,315,883	959,936	356,433	119,543	55,871	2,807,666
Investments	4,358,098	3,092,727	1,180,479	395,916	185,041	9,212,261
Receivables:						
Accounts	-	17,654	19,011	-	-	36,665
Interest	6,348	4,526	1,700	576	269	13,419
Due from other funds	-	-	8,970	-	-	8,970
Inventory	-	-	850,218	-	-	850,218
Prepaid expenses	205,061	-	-	-	-	205,061
Total current assets	<u>5,885,390</u>	<u>4,074,843</u>	<u>2,416,811</u>	<u>516,035</u>	<u>241,181</u>	<u>13,134,260</u>
Noncurrent assets -						
Capital assets -						
Assets subject to depreciation	25,369	-	1,262,105	-	-	1,287,474
Total assets	<u>5,910,759</u>	<u>4,074,843</u>	<u>3,678,916</u>	<u>516,035</u>	<u>241,181</u>	<u>14,421,734</u>
Liabilities						
Current liabilities:						
Accounts payable	17,014	-	498,218	-	14,161	529,393
Due to other funds	-	1,899	860	-	-	2,759
Accrued liabilities and other:						
Accrued payroll payable	7,952	-	109,939	-	-	117,891
Accrued interest payable	-	-	63	-	-	63
Compensated absences	15,253	-	117,640	-	-	132,893
Claims payable	3,939,315	1,085,259	-	-	-	5,024,574
Capital leases	-	-	6,273	-	-	6,273
Total liabilities	<u>3,979,534</u>	<u>1,087,158</u>	<u>732,993</u>	<u>-</u>	<u>14,161</u>	<u>5,813,846</u>
Deferred Inflows of Resources						
	-	-	-	-	-	-
Net Position						
Net investment in capital assets	25,369	-	1,255,832	-	-	1,281,201
Unrestricted	1,905,856	2,987,685	1,690,091	516,035	227,020	7,326,687
Total net position	<u>\$ 1,931,225</u>	<u>\$ 2,987,685</u>	<u>\$ 2,945,923</u>	<u>\$ 516,035</u>	<u>\$ 227,020</u>	<u>\$8,607,888</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended December 31, 2014

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
Operating Revenue						
Employee/employer contributions	\$ 2,859,719	\$ 13,320,084	\$ -	\$ 122,233	\$ 102,364	\$16,404,400
Charges for sales and services	-	-	7,025,252	-	-	7,025,252
Other	162,062	6,000	21,063	-	-	189,125
Total operating revenue	3,021,781	13,326,084	7,046,315	122,233	102,364	23,618,777
Operating Expenses						
Other operation and maintenance	-	-	6,667,087	-	-	6,667,087
Administration	228,976	664,807	192,951	60,580	-	1,147,314
Insurance claims and premiums	3,279,546	14,139,152	-	-	111,375	17,530,073
Depreciation	9,670	-	111,887	-	-	121,557
Total operating expenses	3,518,192	14,803,959	6,971,925	60,580	111,375	25,466,031
Operating (Loss) Income	(496,411)	(1,477,875)	74,390	61,653	(9,011)	(1,847,254)
Nonoperating Revenue (Expenses)						
Investment income	18,044	19,629	4,081	1,723	863	44,340
Loss on sale of assets	-	-	(12,841)	-	-	(12,841)
Debt service charge	-	-	(1,459)	-	-	(1,459)
Total nonoperating revenue (expenses)	18,044	19,629	(10,219)	1,723	863	30,040
(Loss) Income - Before contributions	(478,367)	(1,458,246)	64,171	63,376	(8,148)	(1,817,214)
Capital Contributions -						
Other capital contributions	-	-	16,017	-	-	16,017
Change in Net Position	(478,367)	(1,458,246)	80,188	63,376	(8,148)	(1,801,197)
Net Position - Beginning of year	2,409,592	4,445,931	2,865,735	452,659	235,168	10,409,085
Net Position - End of year	\$ 1,931,225	\$ 2,987,685	\$ 2,945,923	\$ 516,035	\$ 227,020	\$8,607,888

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2014

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
Cash Flow from Operating Activities						
Receipts from customers and users	\$ 3,021,781	\$ 13,316,770	\$ 7,069,100	\$ 122,233	\$ 102,364	\$ 23,632,248
Payments to suppliers	(2,368,076)	(14,937,014)	(4,360,320)	-	(10,532)	(21,675,942)
Payments to employees	(179,508)	-	(2,577,509)	-	(111,375)	(2,868,392)
Internal activity - Payments to other funds	-	-	(5,845)	(60,580)	-	(66,425)
Net cash provided by (used in) operating activities	474,197	(1,620,244)	125,426	61,653	(19,543)	(978,511)
Cash Flows from Capital and Related Financing Activities						
Proceeds from sales of capital assets	-	-	(12,841)	-	-	(12,841)
Purchase of capital assets	5,947	-	(34,847)	-	-	(28,900)
Principal paid on capital debt	-	-	(5,802)	-	-	(5,802)
Interest paid on capital debt	-	-	(693)	-	-	(693)
Net cash provided by (used in) capital and related financing activities	5,947	-	(54,183)	-	-	(48,236)
Cash Flows from Investment Activities						
Interest received on investments	17,258	21,153	2,483	1,632	873	43,399
Purchase of investment securities	-	-	(90,814)	-	-	(90,814)
Proceeds from sale and maturities of investment securities	(502,993)	1,096,800	-	(59,173)	8,276	542,910
Net cash provided by (used in) investing activities	(485,735)	1,117,953	(88,331)	(57,541)	9,149	495,495
Net Increase (Decrease) in Cash and Cash Equivalents	(5,591)	(502,291)	(17,088)	4,112	(10,394)	(531,252)
Cash and Cash Equivalents - Beginning of year	1,321,474	1,462,227	373,521	115,431	66,265	3,338,918
Cash and Cash Equivalents - End of year	<u>\$ 1,315,883</u>	<u>\$ 959,936</u>	<u>\$ 356,433</u>	<u>\$ 119,543</u>	<u>\$ 55,871</u>	<u>\$ 2,807,666</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds (Continued) Year Ended December 31, 2014

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ 5,673,981	\$ 4,052,663	\$ 1,536,912	\$ 515,459	\$ 240,912	\$ 12,019,927
Less amounts classified as investments	(4,358,098)	(3,092,727)	(1,180,479)	(395,916)	(185,041)	(9,212,261)
Total cash and cash equivalents	<u>\$ 1,315,883</u>	<u>\$ 959,936</u>	<u>\$ 356,433</u>	<u>\$ 119,543</u>	<u>\$ 55,871</u>	<u>\$ 2,807,666</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities						
Operating (loss) income	\$ (496,411)	\$ (1,477,875)	\$ 74,390	\$ 61,653	\$ (9,011)	\$ (1,847,254)
Adjustments to reconcile operating (loss) income to net cash from operating activities:						
Depreciation and amortization	9,670	-	111,887	-	-	121,557
Changes in assets and liabilities:						
Receivables	-	(9,726)	12,544	-	-	2,818
Due from other funds	-	-	(5,845)	-	-	(5,845)
Inventory	-	-	9,318	-	-	9,318
Prepaid expenses and other assets	(205,061)	-	-	-	-	(205,061)
Accounts payable	12,489	(133,055)	(124,831)	-	(10,532)	(255,929)
Due to other funds	-	412	-	-	-	412
Estimate of unfilled claims	1,148,181	-	-	-	-	1,148,181
Accrued liabilities and other	5,329	-	47,963	-	-	53,292
Net cash provided by (used in) operating activities	<u>\$ 474,197</u>	<u>\$ (1,620,244)</u>	<u>\$ 125,426</u>	<u>\$ 61,653</u>	<u>\$ (19,543)</u>	<u>\$ (978,511)</u>
Noncash Transactions -						
Capital asset contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,017</u>

City of South Bend, Indiana

Other Supplementary Information Fiduciary Funds Fund Descriptions

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.

Police Distributions Payable - To account for monies collected by the South Bend Police Department from asset seizures and other sources. Proceeds may be used to pay other governmental agencies for monies collected on their behalf or for related expenses.

City of South Bend

Other Supplementary Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2014

	Pension Trust Funds			Agency Funds			
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Payroll	Morris Palais Royale Box Office	Police Distributions Payable	Total Agency Funds
Assets							
Cash and cash equivalents	\$ 257,328	\$ 148,064	\$ 405,392	\$ 301,548	\$ 1,071,032	\$ 802,859	\$ 2,175,439
Investments	852,251	490,377	1,342,628	-	-	-	-
Receivables:							
Accounts	-	177	177	-	-	-	-
Interest	1,262	732	1,994	-	-	-	-
Total assets	1,110,841	639,350	1,750,191	\$ 301,548	\$ 1,071,032	\$ 802,859	\$ 2,175,439
Liabilities							
Accounts payable	\$ 98	\$ 83	\$ 181	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and other	-	186	186	301,548	-	-	301,548
Customer deposits payable	-	-	-	-	1,071,032	-	1,071,032
Police distribution payable	-	-	-	-	-	802,859	802,859
Total liabilities	98	269	367	\$ 301,548	\$ 1,071,032	\$ 802,859	\$ 2,175,439
Net Position for Pension Benefits and Other Purposes	\$ 1,110,743	\$ 639,081	\$ 1,749,824				

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds Year Ended December 31, 2014

	1925 Police Pension	1937 Firefighters' Pension	Total
Additions			
Investment income -			
Interest and dividends	\$ 3,759	\$ 1,963	\$ 5,722
Contributions:			
On behalf	6,111,865	5,129,098	11,240,963
Other	4,329	1,484	5,813
Net contributions	<u>6,116,194</u>	<u>5,130,582</u>	<u>11,246,776</u>
Total additions	6,119,953	5,132,545	11,252,498
Deductions			
Benefit payments	6,705,815	5,407,429	12,113,244
Administrative expenses	10,957	10,920	21,877
Total deductions	<u>6,716,772</u>	<u>5,418,349</u>	<u>12,135,121</u>
Net Decrease in Net Position Held in Trust	(596,819)	(285,804)	(882,623)
Net Position - Beginning of year	<u>1,707,562</u>	<u>924,885</u>	<u>2,632,447</u>
Net Position - End of year	<u><u>\$ 1,110,743</u></u>	<u><u>\$ 639,081</u></u>	<u><u>\$ 1,749,824</u></u>

City of South Bend, Indiana

Other Supplementary Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2014

	Balance at January 1, 2014	Additions	Reductions	Balance at December 31, 2014
Payroll				
Assets				
Cash and investments	\$ 298,697	\$ 102,965,651	\$ (102,962,800)	\$ 301,548
Total assets	\$ 298,697	\$ 102,965,651	\$(102,962,800)	\$ 301,548
Liabilities				
Accrued liabilities and other	298,697	102,965,651	(102,962,800)	301,548
Total liabilities	\$ 298,697	\$ 102,965,651	\$(102,962,800)	\$ 301,548
Balance at December 31, 2014				
	Balance at January 1, 2014	Additions	Reductions	Balance at December 31, 2014
Morris Palais Royale Box Office				
Assets				
Cash and investments	\$ 1,339,598	\$ 4,338,997	\$ (4,607,563)	\$ 1,071,032
Total assets	\$ 1,339,598	\$ 4,338,997	\$ (4,607,563)	\$ 1,071,032
Liabilities				
Customer deposits payable	1,339,598	4,338,997	(4,607,563)	1,071,032
Total liabilities	\$ 1,339,598	\$ 4,338,997	\$ (4,607,563)	\$ 1,071,032
Balance at December 31, 2014				
	Balance at January 1, 2014	Additions	Reductions	Balance at December 31, 2014
Police Distributions Payable				
Assets				
Cash and investments	\$ 785,912	\$ 144,567	\$ (127,620)	\$ 802,859
Total assets	\$ 785,912	\$ 144,567	\$ (127,620)	\$ 802,859
Liabilities				
Police distribution payable	785,912	144,567	(127,620)	802,859
Total liabilities	\$ 785,912	\$ 144,567	\$ (127,620)	\$ 802,859

Statistical Section

This part of the City of South Bend's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
- Revenue capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes, and other major revenue sources.
- Debt capacity - These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Demographic and economic information - These schedules offer demographic economic indicators to help the reader understand the environment within which the City's financial activities take place.
- Operating information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

City of South Bend, Indiana

Statistical Section Net Position by Component Last Ten Fiscal Years

	<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>	<u>2014</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 35,777,247	\$ 208,509,577	\$ 200,634,954	\$ 178,178,047	\$ 178,483,535	\$ 186,771,216	\$ 196,265,413	\$ 202,779,954	\$ 192,190,446	\$ 168,275,521
Restricted	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	8,723,878
Unrestricted	26,957,659	24,900,036	47,150,229	56,786,214	82,877,695	96,539,932	82,271,482	71,992,457	86,413,227	116,445,385
Total governmental activities net position	\$ 68,873,163	\$ 238,635,255	\$ 253,155,810	\$ 246,041,948	\$ 274,186,457	\$ 292,151,758	\$ 287,891,667	\$ 282,822,829	\$ 286,593,845	\$ 293,444,784
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 136,685,811
Restricted	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	26,587,012
Unrestricted	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	13,794,767
Total business-type activities net position	\$ 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	\$ 177,067,590
Primary government										
Invested in capital assets, net of related debt	\$ 130,611,207	\$ 306,180,110	\$ 312,829,405	\$ 302,883,374	\$ 298,091,178	\$ 308,879,311	\$ 299,728,417	\$ 315,973,883	\$ 306,696,698	\$ 304,961,332
Restricted	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	35,310,890
Unrestricted	35,709,243	32,068,888	62,944,011	65,996,131	95,474,833	115,802,124	128,005,112	98,949,962	94,319,485	130,240,152
Total primary government net position	\$ 190,401,407	\$ 366,010,498	\$ 389,417,300	\$ 388,587,734	\$ 420,466,577	\$ 446,843,012	\$ 450,026,289	\$ 452,234,196	\$ 457,274,019	\$ 470,512,374

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

Statistical Section Changes in Net Position Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General Government	\$ (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)	\$ (19,013,453)
Public Safety	(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)	(68,783,155)
Public Works	(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)	(13,031,500)
Health and Welfare	(75,352)	(114,131)	(75,000)	(75,000)	-	-	-	-	-	-
Culture and Recreation	(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)	(16,802,311)
Community and Economic Development	(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)	(19,780,791)
Interest on Long-Term Debt	(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)	(2,497,849)
Total governmental activities expenses	\$ (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)	\$ (139,909,059)
Business-type activities:										
Water	\$ (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)	\$ (13,020,610)
Wastewater	(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)	(25,521,753)
Century Center	(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)	(4,747,838)
Consolidated Building Department (1)	(1,047,007)	(1,102,164)	(1,090,327)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)
Parking Garage	(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)	(1,660,596)
Solid Waste	(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)	(5,811,526)
Blackthorn Golf Course	(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)	(1,874,962)
Total business-type activities net expenses	(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)	(55,879,605)
Total primary government net position	\$ (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)	\$ (195,788,664)
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 1,451,438
Public Safety	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	4,992,228
Public Works	135,313	44,250	-	-	5,152	28,110	227,000	291,840	451,363	728,343
Community and Economic Development	516,570	562,807	604,873	636,722	332,454	283,420	683,503	271,366	444,839	485,938
Culture and Recreation	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	3,815,920
Operating Grants and Contributions	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	3,203,805
Capital Grants and Contributions	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	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	14,677,672
Business-type activities:										
Charges for services:										
Water	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	14,373,176
Wastewater	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	34,009,117
Century Center	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	2,227,171
Consolidated Building Department	1,125,312	1,039,405	1,078,258	1,169,788	977,050	875,481	899,397	1,000,381	967,667	1,387,571
Parking Garage	763,581	799,350	861,307	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868	1,017,218
Solid Waste	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	5,295,712
Blackthorn Golf Course	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	1,548,341
Operating Grants and Contributions	1,282,780	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	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	95,834
Total business-type activities program revenues	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	59,954,140
Total primary government program revenues	\$ 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	\$ 74,631,812

City of South Bend, Indiana

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (125,231,387)
Business-type activities	(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	4,074,535
Total primary government net expense	\$ (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)	\$ (121,156,852)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 69,221,468
County Option Income Tax	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	15,025,840
Economic Development Income Tax	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	8,796,821
Professional Sports Development Tax	385,553	336,281	435,791	453,268	522,788	597,406	558,268	633,904	649,996	588,054
Community Revitalization District Tax	965,052	1,000,000	1,000,000	955,315	605,623	416,149	733,100	653,185	244,623	-
Unrestricted Grants and Contributions	5,160,298	5,063,541	4,032,300	5,664,011	7,597,883	4,883,081	3,964,336	3,891,810	5,893,924	28,473,888
Unrestricted Investment earnings	3,543,469	4,762,484	6,247,113	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270	951,901
Other	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	6,747,199
Transfers	33,589	44,200	3,735	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)
Total governmental activities	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	129,122,122
Business-type activities:										
Unrestricted Investment earnings	745,966	906,056	1,301,348	1,514,287	271,360	146,826	206,409	285,572	138,362	128,168
Other	1,990,515	-	-	-	-	-	-	-	-	1,501,664
Transfers	(33,589)	(44,200)	(3,735)	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)	683,049
Total business-type activities	2,702,892	861,856	1,297,613	1,479,317	917,352	795,649	(2,834,767)	(3,594,149)	(4,386,825)	2,312,881
Total primary government	\$ 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	\$ 131,435,003
Special Item (Governmental activities):										
Well field contamination settlement	\$ -	\$ -	\$ -	\$ 4,462,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 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	\$ 3,890,735
Business-type activities	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	6,387,416
Total primary government	\$ 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	\$ 10,278,151

Excludes prior period adjustments

Source : City of South Bend Comprehensive Annual Financial Reports

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

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

City of South Bend, Indiana

Statistical Section Fund Balances - Governmental Funds Last Ten Fiscal Years

	<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>	<u>2014</u>
General fund										
Reserved	\$ 10,581,739	\$ 4,162,853	\$ 2,213,970	\$ 3,245,271	\$ 1,516,159	\$ 1,824,454	\$ -	\$ -	\$ -	\$ -
Unreserved	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	558,304
Restricted	-	-	-	-	-	-	327,267	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	255,287	165,389	516,506	-
Unassigned	-	-	-	-	-	-	26,233,637	27,671,353	26,495,559	27,029,101
Total - General Fund	\$ 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	\$ 27,587,405
Other Governmental Funds										
Reserved	\$ 38,498,351	\$ 34,251,520	\$ 36,374,517	\$ 60,213,915	\$ 56,819,802	\$ 62,230,229	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	14,134,371	19,348,846	25,703,180	32,054,329	36,398,024	31,996,398	-	-	-	-
Capital projects funds	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	37,706,861	22,828,476	24,807,307
Restricted	-	-	-	-	-	-	44,754,037	78,326,567	95,387,879	94,203,444
Committed	-	-	-	-	-	-	11,829,074	11,142,045	20,697,026	16,413,498
Assigned	-	-	-	-	-	-	77,460,284	35,180,652	35,455,190	37,175,847
Unassigned	-	-	-	-	-	-	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)
Total - Other Governmental Funds	93,257,366	114,039,617	128,671,603	179,839,300	171,431,958	179,464,574	168,302,860	158,137,059	169,516,402	166,899,267
Grand Total - Governmental Funds	\$122,001,560	\$139,890,912	\$152,432,356	\$207,255,884	\$196,050,413	\$208,201,716	\$196,234,076	\$186,932,142	\$197,185,315	\$194,486,672

(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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 93,632,183
Licenses, fees, and permits	246,780	186,470	173,604	177,329	206,594	192,397	190,943	189,714	177,019	141,565
Fines and forfeitures	245,680	444,861	437,732	412,707	423,981	409,775	636,749	334,767	660,841	563,999
Charges for services	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	10,628,976
Intergovernmental	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	30,663,505
Investment earnings	3,543,469	4,762,484	6,248,605	4,962,768	859,135	868,023	1,050,768	1,317,443	762,270	955,376
Other revenues	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	7,904,187
Total revenues	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	144,489,791
Expenditures										
General Government	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	8,022,688
Public Safety	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	66,927,250
Public Works	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	10,441,957
Health and Welfare	75,000	75,000	75,000	75,000	-	-	-	-	-	-
Culture and Recreation	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	13,948,089
Economic Development	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	7,309,130
Capital Outlay	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	29,407,934
Debt Service:										
Interest and Fiscal Charges	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	5,360,219
Principal	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	12,882,830
Total expenditures	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	154,300,097
Excess of revenues (under) over expenditures	(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)	(9,810,306)
Other Financing Sources (Uses)										
Proceeds from debt issuance	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	8,436,905
Premium on debt issuance	-	-	-	1,626,186	80,950	146,030	26,877	1,236,364	21,576	171,851
Proceeds from refunding	-	-	-	-	7,210,000	5,327,775	38,307,431	13,595,000	3,990,000	-
Payments to refunded bond escrow agent	-	(8,371,711)	-	-	(7,591,171)	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)
Transfers in	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	18,478,925
Transfers out	(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)	(16,522,289)
Other	-	-	-	-	-	-	-	-	-	28,476
Total other financing sources	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	7,111,663
Special Item:										
Well field contamination settlement	-	-	-	-	4,462,214	-	-	-	-	-
Net change in fund balances	\$ 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	\$ (2,698,643)
Debt service as a percentage of noncapital expenditures (1)	11.1%	10.8%	11.4%	12.1%	17.6%	15.4%	13.8%	12.9%	13.4%	13.5%

Excludes prior period adjustments

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

Source: City of South Bend Comprehensive Annual Financial Reports

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and other major revenue sources.

City of South Bend, Indiana

Statistical Section Property Taxes Levies and Collections Last Ten Fiscal Years

Tax Year/ Collection Year	Per DLGF Current Tax Levy	Estimated Circuit Breaker Levy Reduction	Adjusted Current Tax Levy (County Abstract)	Current Tax 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
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	42,598,817	91.04%	5,111,380	47,710,197	101.96%	9,550,891	20.41%
2012/2013	72,696,497	27,863,156	44,833,341	38,721,788	86.37%	5,200,000	43,921,788	97.97%	11,146,473	24.86%
2013/2014	73,981,565	27,051,751	46,929,814	41,370,637	88.15%	3,134,526	44,505,163	94.83%	8,745,941	18.64%

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

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

Tax Year/ Collection Year	City Direct Rates						Overlapping Rates (3)						Grand Total
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)	Total Overlapping	
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	-	-	0.0342	2.7279	0.5866	1.0728	0.0406	0.2657	0.1835	2.1492	4.8771
2010/2011	2.4381	0.4818	-	-	0.0342	2.9541	0.5424	1.2211	0.0438	0.3027	0.1958	2.3058	5.2599
2011/2012	2.4954	0.4957	-	-	0.0328	3.0239	0.6212	1.1931	0.0464	0.2941	0.1817	2.3365	5.3604
2012/2013	2.5678	0.5102	-	-	0.0328	3.1108	0.6731	1.3493	0.0453	0.3227	0.1971	2.5875	5.6983
2013/2014	2.7977	0.5608	-	-	0.0328	3.3913	0.7058	1.3577	0.0505	0.3309	0.1849	2.6298	6.0211

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

Statistical Section Detail of Net Assessed Valuation (Assessment for the Year 2013 Payable in 2014)

	South Bend Centre Twp	South Bend Clay Twp	South Bend German Twp	South Bend Penn Twp	South Bend Warren Twp	South Bend Portage Twp	Totals	Percent
Value of land	\$ 108,897,100	\$ 25,180,600	\$ 70,082,200	\$ 16,860,800	\$ 2,104,100	\$ 376,407,050	\$ 599,531,850	
Value of improvements	455,679,500	118,920,100	416,802,200	84,056,900	23,157,700	2,501,609,250	3,600,225,650	
Total value of real estate	564,576,600	144,100,700	486,884,400	100,917,700	25,261,800	2,878,016,300	4,199,757,500	
Less: Mortgage, veterans, blind, age 65 and other exemptions	(226,782,879)	(34,751,678)	(81,826,030)	(26,878,588)	-	(956,849,205)	(1,327,088,380)	
Tax-exempt property	(41,595,520)	(7,886,172)	(31,913,930)	(9,323,600)	-	(338,719,623)	(429,438,845)	
Investment deduction	-	-	-	-	-	(2,220,700)	(2,220,700)	
Tax increment financing	(54,830,088)	(8,296,644)	(254,036,780)	-	(23,635,380)	(372,649,260)	(713,448,152)	
Tax abatements	(3,509,402)	-	(16,005,217)	(2,044,390)	(1,626,420)	(16,703,842)	(39,889,271)	
Net value of real estate	237,858,711	93,166,206	103,102,443	62,671,122	-	1,190,873,670	1,687,672,152	76.37%
Gross personal property assessments	27,588,490	7,943,500	165,860,160	2,093,660	6,867,500	342,519,210	552,872,520	
Less: Tax abatements	-	-	(14,974,063)	-	-	(7,448,676)	(22,422,739)	
Tax-exempt property	(1,524,050)	(150,390)	(2,923,850)	(938,290)	-	(77,717,165)	(83,253,745)	
Investment deduction	-	-	-	-	-	(15,393,696)	(15,393,696)	
Tax increment financing	-	-	-	-	-	-	-	
Net value of personal property	26,064,440	7,793,110	147,962,247	1,155,370	6,867,500	241,959,673	431,802,340	19.54%
Net value of utilities	11,365,950	3,708,780	7,323,120	1,088,910	338,560	66,426,860	90,252,180	4.08%
Total net assessed valuation	\$ 275,289,101	\$ 104,668,096	\$ 258,387,810	\$ 64,915,402	\$ 7,206,060	\$ 1,499,260,203	\$ 2,209,726,672	100.00%
Percentage of Total	12.46%	4.74%	11.69%	2.94%	0.33%	67.85%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total value	\$ 4,199,757,500	\$ 643,124,700	\$ 4,842,882,200	100.00%
Deductions and exemptions	(1,329,309,080)	(15,393,696)	(1,344,702,776)	-27.77%
Tax exempt property	(429,438,845)	(83,253,745)	(512,692,590)	-10.59%
Tax increment financing	(713,448,152)	-	(713,448,152)	-14.73%
Tax abatements	(39,889,271)	(22,422,739)	(62,312,010)	-1.29%
Total net assessed valuation	\$ 1,687,672,152	\$ 522,054,520	\$ 2,209,726,672	45.63%
Percent	76.37%	23.63%	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

Statistical Section 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				
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%
2013/2014	4,199,757,500	552,872,520	90,252,180	4,842,882,200	2,633,155,528	2,209,726,672	3.3913	45.63%

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

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

Source: St. Joseph County Auditor's Office

City of South Bend, Indiana

Statistical Section Net Assessed Value of Taxable Property Last Ten Fiscal 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>
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%
2013/2014	1,687,672,152	431,802,340	90,252,180	2,209,726,672	-6.81%

Source: St. Joseph County Auditor's office

City of South Bend, Indiana

Statistical Section Assessed Value of Taxable Property 2004 - 2014

Tax Year/ Collection Year	Total Gross Valuation	Deductions (1)	Tax Exempt Property	Tax Increment Financing	Tax Abatements	Net Assessed Valuation
2004/2005	\$ 4,559,530,815	\$ (867,415,614)	\$ (462,449,832)	\$ (269,578,611)	\$ (141,181,940)	\$ 2,818,904,818
2005/2006	4,542,679,011	(867,578,331)	(413,587,899)	(290,451,066)	(135,795,825)	2,835,265,890
2006/2007	5,009,335,347	(1,014,750,501)	(494,545,149)	(382,668,480)	(95,014,070)	3,022,357,147
2007/2008	5,040,633,115	(996,413,450)	(494,748,890)	(471,656,927)	(101,733,050)	2,976,080,798
2008/2009	5,387,419,960	(1,557,329,781)	(436,861,027)	(625,910,065)	(98,431,668)	2,668,887,419
2009/2010	5,071,882,200	(1,344,563,829)	(449,848,037)	(707,096,696)	(116,868,065)	2,453,505,573
2010/2011	4,991,866,350	(1,353,769,271)	(439,343,852)	(777,038,302)	(97,263,063)	2,324,451,862
2011/2012	4,910,736,210	(1,331,068,608)	(417,907,225)	(702,724,247)	(78,161,522)	2,380,874,608
2012/2013	5,091,220,910	(1,397,134,910)	(488,961,977)	(761,349,489)	(72,686,837)	2,371,087,697
2013/2014	4,842,882,200	(1,344,702,776)	(512,692,590)	(713,448,152)	(62,312,010)	2,209,726,672

(1) Includes homestead standard deduction, supplemental standard deduction, mortgage deduction, blind/disabled deduction, investment deduction, veteran's deduction, over 65 years old deduction, and geothermal deduction. In 2009, a new 35% supplemental standard deduction was provided as a part of "circuit breaker" property tax reform legislation.

2014 Deductions

Homestead Standard Deduction	\$ 865,700,222
Supplemental Standard Deduction	370,952,895
Mortgage Deduction	46,396,568
Veteran's Deduction	10,105,601
Age 65 and Over Deduction	27,283,686
Energy Systems Deduction	403,600
Blind & Disabled Deduction	6,245,808
Investment Deduction	17,614,396
Total	\$ 1,344,702,776

Source: St. Joseph County Auditor's Office Abstract

City of South Bend, Indiana

Statistical Section Property Tax Collections - Cash Basis 2005 - 2014

Fund Name	2005 Actual	2006 Actual	2007 Actual	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual
General Fund	\$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	\$36,708,989
Excess Levy	-	-	-	-	-	-	-	-	-	3,648
Parks and Recreation	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	7,365,388
Redevelopment Bonds Studebaker Corridor	565,420	-	11,590	-	-	-	-	-	-	-
College Football Hall of Fame Debt Service	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	497,768
Airport TIF District (1)	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	14,284,734
Cumulative Capital Development	1,004,779	1,054,963	989,824	291,600	1,420,833	587,063	540,454	517,710	463,331	430,786
Sample-Ewing TIF District (1)	525,671	732,356	778,093	-	-	-	-	-	-	-
South Bend Central Development Area TIF	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	4,309,727
West Washington Street TIF District	193,911	255,510	287,095	1,785	358,844	860,049	431,085	422,715	493,608	580,987
Central Medical Service Area TIF District	329,269	333,585	928,113	2,793	919,174	3,524,962	1,704,238	1,606,915	1,221,676	851,211
Northeast TIF District	-	-	13,468	-	22,191	195,400	715,063	1,351,048	841,627	1,568,240
Southside Development Area TIF District	25,351	28,565	457,985	1,756	355,596	4,094,135	1,808,952	2,466,203	2,404,416	2,379,212
Erskine Commons TIF District (5)	548	2,585	2,891	10	1,240,184	5,978,592	784,373	-	-	-
Erskine Village TIF District	109,248	305,399	775,622	2,713	1,531,403	3,759,287	1,603,182	-	1,311,129	9,175
Douglas Road TIF District	-	-	13,941	-	125,294	460,760	306,053	285,713	323,939	321,895
Northeast Residential TIF	-	-	-	-	-	1,815,829	2,446,103	2,514,048	2,262,765	2,725,909
Airport Urban Enterprise	-	-	-	-	-	301,430	123,165	111,721	-	-
Fire Department Employees Pension (4)	1,443,033	1,554,387	1,536,839	462,375	1,437,539	(5,867)	-	-	-	-
Police Department Employees Pension (4)	1,296,055	1,397,265	1,380,555	425,760	1,609,905	(9,479)	-	-	-	-
Total	\$68,099,333	\$74,495,011	\$77,422,869	\$18,631,151	\$119,144,153	\$98,267,940	\$72,962,173	\$72,904,530	\$69,980,289	\$72,037,669

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

Statistical Section 2014 Circuit Breaker Property Tax Cap Credits

Taxing Unit Name	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total Credits
City of South Bend (101,168 population)					
South Bend Civil City	\$ 5,969,203	\$ 11,631,433	\$ 11,094,504	\$ 12,910	\$ 28,708,050
Hall of Fame Bond	-	-	-	144	144
TIF - SB So. #1 Centre	-	37,627	978,240	-	1,015,867
TIF - SB NE Clay	-	-	9,351	-	9,351
TIF- Douglas Road EDA	-	2,813	143,255	-	146,068
TIF - Airport - SB German	35,075	396,007	4,108,866	2,626	4,542,574
TIF - SB Central Allocation Area	14,785	494,080	1,687,214	-	2,196,079
TIF - SB West Washington	6,923	200,816	151,663	16	359,418
TIF - Airport - SB Portage	32,650	1,060,930	1,071,356	5	2,164,941
TIF - SB Medical Service District	355	71,502	310,111	-	381,968
TIF - SB So. #1 Portage	-	49,202	73,072	-	122,274
TIF - SB NE Portage	-	800,728	339,647	-	1,140,375
TIF - NE Portage Housing	15,118	1,287,587	565,652	-	1,868,357
TIF - Airport - SB Warren	-	-	420,148	-	420,148
Total Credits	6,074,109	16,032,725	20,953,079	15,701	43,075,614
Per Capita Credits	60.04	158.48	207.11	0.16	425.78

Local Unit	Total Credits	2010 Population	Per Capita Credits
South Bend Civil City	\$ 28,708,050	101,168	\$ 283.77
Anderson Civil City	9,188,830	56,120	163.74
East Chicago Civil City	8,109,300	29,698	273.06
Elkhart Civil City	10,810,630	50,949	212.19
Evansville Civil City	8,320,907	117,429	70.86
Fort Wayne Civil City	16,724,107	253,691	65.92
Gary Civil City	25,764,073	80,294	320.87
Goshen Civil City	4,507,460	31,719	142.11
Hammond Civil City	5,529,898	80,830	68.41
Jeffersonville Civil City	4,186,833	44,953	93.14
Kokomo Civil City	7,221,834	45,468	158.83
Lafayette Civil City	1,584,752	61,140	25.92
Laporte Civil City	1,708,344	22,053	77.47
Mishawka Civil City	4,204,454	48,252	87.14
Muncie Civil City	13,386,261	70,085	191.00
Noblesville Civil City	5,134,842	51,969	98.81
Saint Joseph County	7,191,331	266,931	26.94
South Bend School Corporation	6,751,801	101,168	66.74
Terre Haute Civil City	9,859,237	60,785	162.20

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local governmental units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Sources - Circuit Breaker Report. Prepared by the Legislative Services Agency, December 17, 2014 (www.iga.in.gov).
 County Property Tax Studies, Saint Joseph County, Property Tax Changes in Saint Joseph County Between 2013 and 2014. Prepared by the Legislative Services Agency, September 2014, (www.iga.gov).
 2010 Population - American Fact Finder www.factfinder.census.gov

City of South Bend, Indiana

Statistical Section Principle Property Taxpayers – Current and Nine Years Ago December 31, 2014

Taxpayer	Type of Business	2014			2005		
		Net Assessed Value	Rank	Percent of Total	Net Assessed Value	Rank	Percent of Total
Honeywell International, Inc.	Airplane and Auto Parts	\$ 51,150,670	1	2.31 %	\$ 10,686,900	6	0.38 %
Indiana Bell	Utility	46,635,290	2	2.11			
Indiana Michigan Power Company - AEP	Utility	37,253,440	3	1.69			
Edward Rose of Indiana	Apartments and Real Estate	36,374,900	4	1.65	40,418,500	2	1.43
Federal-Mogul Powertrain Systems	Automotive Parts	28,899,820	5	1.31			
Beacon Health Systems, Inc. - Memorial Hospital	Healthcare	24,906,894	6	1.13			
The Tire Rack	Automotive Parts	23,605,600	7	1.07			
Wal-Mart	Department Store	21,310,400	8	0.96	9,189,400	10	0.33
KSK Scottsdale Mall	Commercial Real Estate	20,827,700	9	0.94			
NIPSCO	Utility	20,768,310	10	0.94			
Home Properties Maple Lane II LLC	Apartments and Real Estate				57,087,800	1	2.03
Walnut Grove Mutual Housing Corp	Apartments and Real Estate				33,450,900	3	1.19
Can-American South Bend Limited	Apartments and Real Estate				12,386,000	4	0.44
Dwellco II Limited Partnership	Apartments and Real Estate				11,131,000	5	0.39
Ameritech	Communications				10,563,700	7	0.37
Meijer Stores Limited Partnership	Department Store				9,329,400	8	0.33
Amico Turtle Creek	Apartments and Real Estate				9,239,000	9	0.33
Total Net Assessed Value - Ten Largest Taxpayers		\$ 311,733,024		11.79 %	\$ 203,482,600		7.22 %
Total Net Assessed Value		\$ 2,209,726,672		100.00 %	\$ 2,818,940,818		100.00 %

Source:

St. Joseph County Auditor
2014 Budget Order
2005 Comprehensive Annual Financial Report

City of South Bend, Indiana

Statistical Section Local Option Income Tax Revenue Last Ten Years

COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT) REVENUE

<u>Distribution Year</u>	<u>EDIT (1) Tax Rate</u>	<u>Total Est County EDIT Collections</u>	<u>Rate of Growth</u>	<u>South Bend EDIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
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%	17,649,256	-6.25%	8,324,626	14.02%	47.17%	9,068,785
2013	0.40%	20,611,415	16.78%	8,177,352	-1.77%	39.67%	8,177,352
2014	0.40%	22,063,091	7.04%	8,796,821	7.58%	39.87%	8,796,821
Total		\$155,168,078		\$60,712,083		39.13%	\$61,456,242

(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 include \$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

Statistical Section Local Option Income Tax Revenue Last Ten Years

COUNTY OPTION INCOME TAX (COIT) REVENUE

<u>Distribution Year</u>	<u>COIT Tax Rate (1)</u>	<u>Total County COIT Distributions</u>	<u>Rate of Growth</u>	<u>South Bend COIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
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	13.21%	7,691,991	19.10%	34.13%	8,610,742
2013	0.60%	22,923,958	1.72%	7,846,939	2.01%	34.23%	7,846,939
2014	0.60%	25,275,541	10.26%	8,645,811	10.18%	34.21%	8,645,811
Total		\$ 218,353,137		\$ 71,435,522		32.72%	\$ 72,267,713

(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 include \$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

Statistical Section Local Option Income Tax Revenue Last Ten Years

PUBLIC SAFETY LOCAL OPTION INCOME TAX REVENUE

<u>Distribution Year</u>		<u>PS LOIT Tax Rate</u>	<u>Total County LOIT Distributions</u>	<u>Rate of Growth</u>	<u>South Bend LOIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
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%	10,644,975	-6.39%	6,056,334	14.41%	56.89%	6,605,601
2013		0.25%	12,457,864	17.03%	5,892,356	-2.71%	47.30%	5,892,386
2014		0.25%	13,476,753	8.18%	6,380,029	8.28%	47.34%	6,380,029
Total			\$61,797,741		\$29,700,792		48.06%	\$30,250,089

(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 include \$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

Statistical Section Total County Income Tax Distributions by Taxing Unit Last Ten Years

Unit of Government	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total County Certified Distribution	\$ 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	\$ 32,344,207
Less: Homestead Credit (1)	(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)	(7,068,666)
Total Distributive Shares	\$ 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	\$ 25,275,541
Distributive Shares/Total County Distribution	62.78%	68.54%	55.07%	63.52%	77.51%	75.68%	72.94%	75.38%	76.67%	78.15%
Amount										
St. Joseph County	\$ 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	\$ 9,314,201
Townships	759,050	834,727	648,364	820,241	1,180,913	1,168,352	1,054,827	1,244,481	954,332	1,069,408
City of South Bend - Civil City	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	8,483,839
City of South Bend - Redevelopment	183,538	217,267	83,453	116,097	203,918	178,046	154,363	184,790	135,330	161,972
Other Cities and Towns	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	3,378,481
Libraries	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	2,126,185
Special Districts	603,842	727,319	540,235	647,285	882,111	798,374	581,071	651,749	675,474	741,455
Total	\$ 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	\$ 25,275,541
Percentage of Distribution										
St. Joseph County	38.66%	39.67%	43.41%	42.65%	38.40%	39.05%	37.09%	35.44%	36.91%	36.85%
Townships	4.56%	3.92%	3.82%	3.96%	4.38%	4.65%	5.30%	5.52%	4.16%	4.23%
City of South Bend - Civil City	31.91%	31.65%	29.88%	30.29%	32.43%	30.53%	31.67%	33.33%	33.64%	33.57%
City of South Bend - Redevelopment	1.10%	1.02%	0.49%	0.56%	0.76%	0.71%	0.78%	0.82%	0.59%	0.64%
Other Cities and Towns	12.20%	12.30%	11.66%	11.44%	13.32%	13.77%	13.40%	13.65%	13.68%	13.37%
Libraries	7.93%	8.02%	7.56%	7.96%	7.44%	8.12%	8.85%	8.34%	8.07%	8.41%
Special Districts	3.64%	3.42%	3.18%	3.14%	3.27%	3.17%	2.91%	2.90%	2.95%	2.93%
Total	100.00%									

(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

Statistical Section Ten Largest Water Customers December 31, 2014

Name	2014 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
MEMORIAL HOSPITAL	\$ 118,867	0.83%	106,100
SOUTH BEND COMMUNITY SCHOOL CORP	182,746	1.27%	91,034
HONEYWELL AEROSPACE CO	89,901	0.63%	87,378
IRISH HILLS APARTMENTS	79,726	0.55%	64,907
PARK JEFFERSON LLC	42,883	0.30%	55,428
ARAMARK UNIFORM SERVICES	38,581	0.27%	48,527
CASTLE POINT APARTMENTS	44,589	0.31%	47,260
INDIAN SPRINGS APARTMENTS	59,621	0.41%	44,252
FEDERAL MOGUL	32,439	0.23%	38,957
ST JOE COUNTY MAINTENANCE DEPT.	33,643	0.23%	35,257
Total of Ten Largest Water Customers	\$ <u>722,996</u>	<u>5.03%</u>	
Total for Operating Revenue for Water Works	\$ <u>14,373,176</u>	<u>100.00%</u>	

*Hundreds of Cubic Feet

City of South Bend, Indiana

Statistical Section Ten Largest Sewage Works Customers December 31, 2014

Name	Metered Revenue	Heavy Demand Surcharge	Total Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/N TEK PLANT	\$ 2,121,717	\$	\$ 2,121,717	6.24%	826,440
UNIVERSITY OF NOTRE DAME	1,155,476		1,155,476	3.40%	513,399
MEMORIAL HOSPITAL	421,848		421,848	1.24%	102,472
HONEYWELL AEROSPACE CO	347,518	10	347,528	1.02%	79,773
SOUTH BEND COMMUNITY SCHOOL CORP	540,512		540,512	1.59%	67,159
TOWN OF NEW CARLISLE	172,392	2,630	175,022	0.51%	58,263
PARK JEFFERSON LLC	177,523		177,523	0.52%	52,140
IRISH HILLS APARTMENTS	188,512		188,512	0.55%	48,458
ARAMARK UNIFORM SERVICES	148,564	27,535	176,099	0.52%	48,449
CASTLE POINT APARTMENTS	155,790		155,790	0.46%	43,515
Total of Ten Largest Sewer Customers	\$ 5,429,852	\$ 30,175	\$ 5,460,027	16.05%	
Total Operating Revenue for Wastewater			\$ 34,009,117		

*Hundreds of Cubic Feet

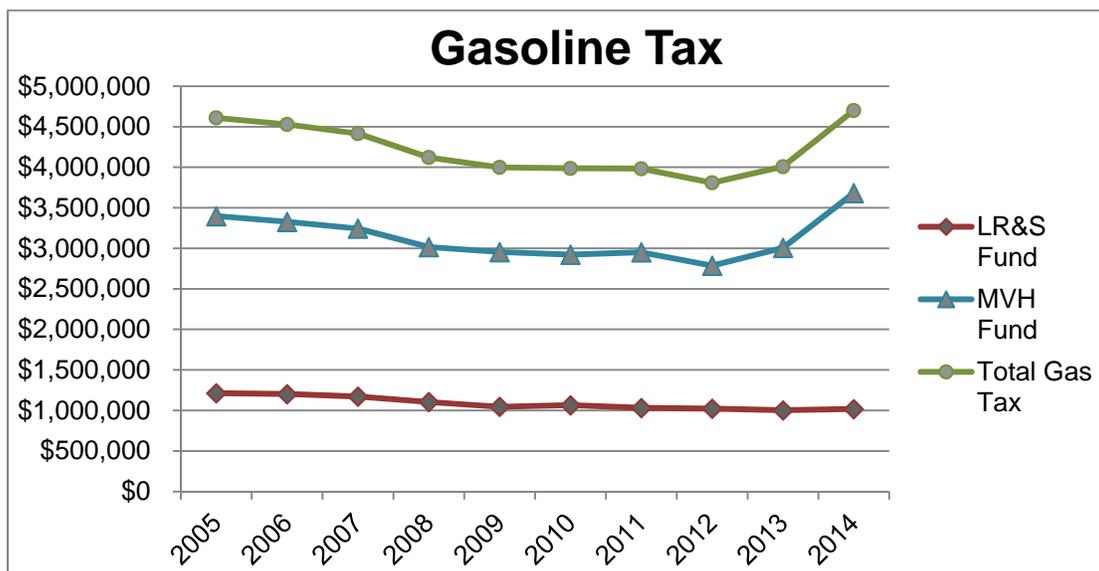
City of South Bend, Indiana

Statistical Section Gasoline Tax Collections - Cash Basis Last Ten Fiscal Years

Year	LR&S Fund	MVH Fund	Total Gas Tax	% Change
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	4,415,550	-2.50%
2008	1,104,260	3,016,198	4,120,458	-6.68%
2009	1,045,477	2,954,086	3,999,563	-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%
2014	1,017,383	3,682,329	4,699,712	17.26%

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 and temporary increase in state funding for two years, total gas tax increased in 2014.

Source: City Accounting Records



City of South Bend, Indiana

Statistical Section Wheel and Excise Surtax Collections - Cash Basis Last Ten Years

Year	LR&S Fund	MVH Fund	Total Wheel Tax	% Change
2005	\$ 1,914,530	\$ -	\$ 1,914,530	-1.97%
2006	1,849,924	-	1,849,924	-3.37%
2007	1,966,003	-	1,966,003	6.27%
2008	-	2,040,751	2,040,751	3.80%
2009	-	1,893,982	1,893,982	-7.19%
2010	-	1,975,397	1,975,397	4.30%
2011	-	1,863,283	1,863,283	-5.68%
2012	-	1,795,538	1,795,538	-3.64%
2013	-	2,045,213	2,045,213	13.91%
2014	-	1,637,707	1,637,707	-19.92%

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 miles.

There was a decrease in the tax in 2014 due to the timing of the payments. The County distributed \$486,700 of wheel and excise surtax for 2014 in 2015 representing September - December 2014 payments. 2013 was only two months behind in paying out the tax.

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

Statistical Section Hotel/Motel Tax Revenue - Cash Basis - City Distributions Last Ten Fiscal Years

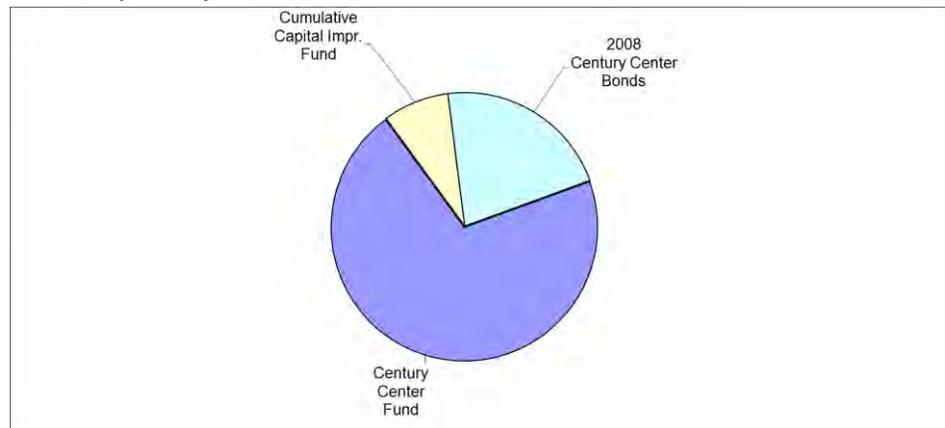
Year	-----Paid to City of South Bend-----					-----Direct Payments-----				Total Hotel/ Motel Tax	% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Subtotal: Paid to City of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other South Bend Projects			
2005	\$ 1,235,849	\$ 465,177	\$ 150,000	\$ -	\$ 1,851,026	\$ 360,087	\$ -	\$ 46,931	\$ 2,258,044	3.19%	
2006	1,247,928	473,258	150,000	-	1,871,186	357,135	-	364,150	2,592,471	14.81%	
2007	1,361,263	507,585	150,000	-	2,018,848	354,916	-	136,330	2,510,094	-3.18%	
2008	1,497,390	589,620	150,000	-	2,237,010	356,918	-	694,135	3,288,063	30.99%	
2009	1,347,651	530,137	150,000	-	2,027,788	-	198,500	265,258	2,491,546	-24.22%	
2010	1,313,152	521,800	150,000	399,000	2,383,952	-	-	97,000	2,480,952	-0.43%	
2011	1,313,436	494,325	150,000	400,000	2,357,761	-	-	-	2,357,761	-4.97%	
2012	1,313,436	489,152	150,000	398,000	2,350,588	-	-	-	2,350,588	-0.30%	
2013	1,313,436	-	150,000	398,500	1,861,936	-	-	-	1,861,936	-20.79%	
2014	1,313,450	-	150,000	400,000	1,863,450	-	-	457,739	2,321,189	24.67%	

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), the Cumulative Capital Development Fund (used for repayment of 1994 Century Center Bonds), 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 2014 to all organizations was \$3,508,588. The cash balance in the County Hotel/Motel Tax Fund was \$3,311,648 at December 31, 2014.

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



City of South Bend, Indiana

Statistical Section Professional Sports Development (PSDA) Tax - Cash Basis Last Ten Fiscal Years

Year	Total PSDA Tax	% Change
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%
2014	551,252	-7.68%

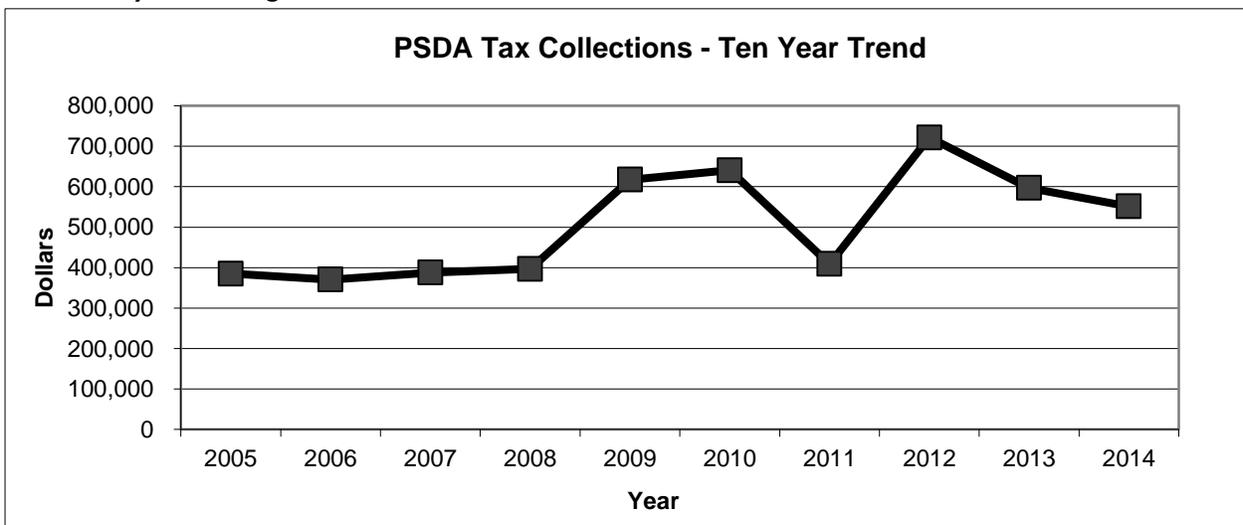
The Professional Sports Development Area (PSDA) tax is a combination of state income tax withholding, local income tax withholding, and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski 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. The decrease in PSDA tax revenues in 2014 was 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

Statistical Section Cable Television Franchise Fee Collections - Cash Basis Last Ten Fiscal Years

Year	Comcast	AT&T	Total Franchise Fees	% Change
2005	\$ 636,416	\$ -	\$ 636,416	1.07%
2006	790,111	-	790,111	24.15%
2007	692,548	-	692,548	-12.35%
2008	694,387	-	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%
2014	717,156	238,309	955,465	3.00%

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 (2014 - \$43,000) is 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 filed with the Indiana Utility Regulatory Commission by March 1 of the following year.

Source: City Accounting Records

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

City of South Bend, Indiana

Statistical Section Computation of Legal Debt Margin December 31, 2014

Civil City

Net Assessed Valuation (2013 pay 2014) of Taxable Property in South Bend	\$ 2,209,726,672
Debt limit: 2% of one-third thereof	14,731,511
Less Bonds subject to limitation:	
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 A	(1,060,000)
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 B	(995,000)
Redevelopment District Taxable Revenue Bonds, Series 2010	<u>(2,915,000)</u>
Issuance Margin	<u>\$ 9,761,511</u>
Percentage of Debt to Debt Limit	<u>33.74%</u>

Redevelopment District

Net Assessed Valuation (2012 pay 2013) of Taxable Property in South Bend	\$ 2,209,726,672
Debt limit: 2% of one-third thereof	14,731,511
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2014	<u>(3,010,000)</u>
Issuance Margin	<u>\$ 11,721,511</u>
Percentage of Debt to Debt Limit	<u>20.43%</u>

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

Statistical Section Legal Debt Margin Information Last Ten Fiscal Years

	<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>2014</u>
Civil City										
Debt Limit (1)	\$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	\$14,731,511
Total Net Debt Applicable To Limit	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	4,970,000
Debt Margin	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	9,761,511
Percentage of Debt Limit	44.67%	38.98%	33.18%	30.77%	30.91%	60.22%	57.50%	49.04%	40.66%	33.74%
Redevelopment District										
Debt Limit (1)	\$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	\$14,731,511
Total Net Debt Applicable To Limit	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	3,010,000
Debt Margin	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	11,721,511
Percentage of Debt Limit	32.54%	30.95%	27.69%	26.71%	28.16%	28.83%	26.36%	26.19%	21.86%	20.43%

(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

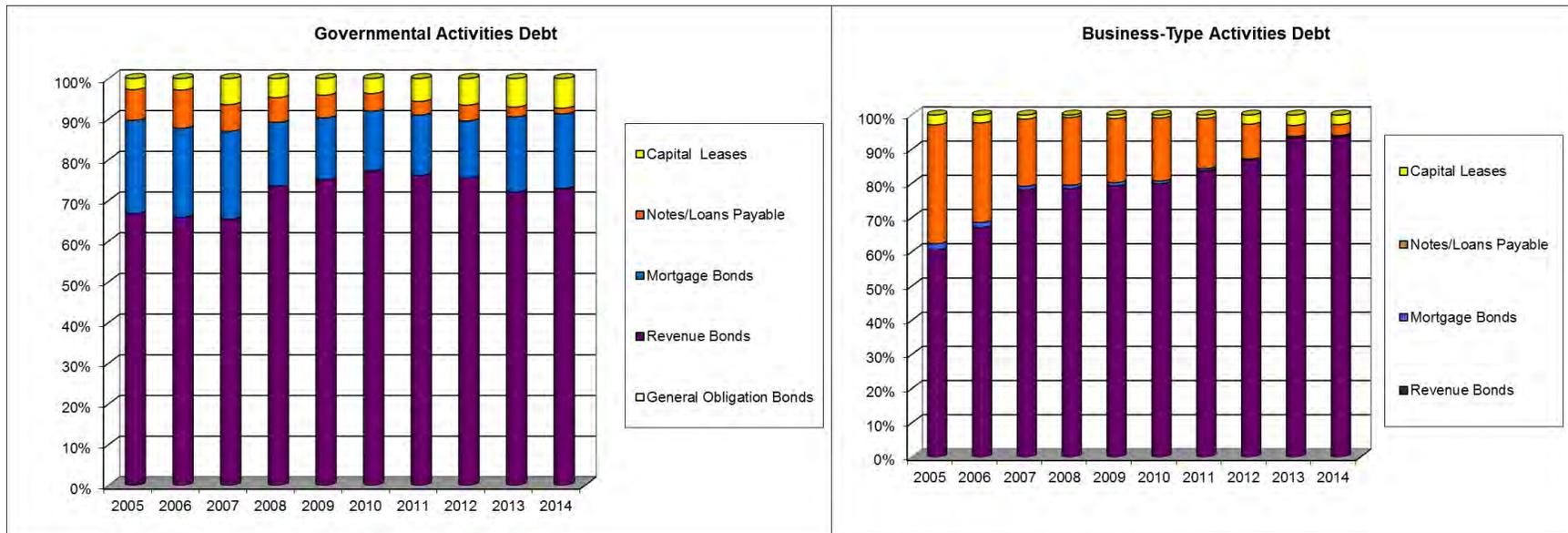
Statistical Section Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population	Debt Per Capita	South Bend Estimated Personal Income	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	90,172,826	23,079,781	3,030,554	8,777,238	118,121,963	546,973	4,121,010	3,831,933	251,682,278	101,168	2,488	3,371,120,096	7.47%
2014	-	84,862,512	21,331,548	1,617,491	8,481,375	111,209,874	480,604	3,794,664	3,307,802	235,085,870	101,168	2,324	3,371,120,096	6.97%
Percent of Total Debt	0.00%	36.10%	9.07%	0.69%	3.61%	47.31%	0.20%	1.61%	1.41%	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

Statistical Section Computation of Direct and Overlapping Debt December 31, 2014

	<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>
Direct Debt:						
City of South Bend						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 84,862,512	100.00 %	\$ 84,862,512			
Mortgage Bonds - Governmental Activities	21,331,548	100.00	21,331,548			
Notes Payable - Governmental Activities	1,617,491	100.00	1,617,491			
Capital Leases - Governmental Activities	8,481,375	100.00	<u>8,481,375</u>			
Total Direct Debt and Lease Obligation Debt			<u>\$ 116,292,926</u>	<u>\$ 1,150</u>	<u>5.26 %</u>	<u>3.03 %</u>
Overlapping Debt (1)						
South Bend Community School Corporation	\$ 145,573,853	54.17 %	\$ 78,857,356			
St. Joseph County Public Library	6,925,000	50.85	3,521,363			
St. Joseph County Airport Authority	12,115,000	29.03	3,516,985			
St. Joseph County	30,909,292	29.03	8,972,967			
Penn-Harris-Madison School Corporation	47,187,570	2.82	1,330,689			
Mishawaka-Penn-Harris Public Library	2,425,000	2.25	54,563			
Total Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 96,253,923</u>	<u>\$ 951</u>	<u>4.36 %</u>	<u>2.50 %</u>
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 212,546,849</u>	<u>\$ 2,101</u>	<u>9.62 %</u>	<u>5.53 %</u>
Ratio Factors						
Net Assessed Valuation (2014 payable 2014)	\$ 2,209,726,672					
Population - 2010 US Census Bureau	101,168 (2)					
South Bend Metropolitan Area 2013 Per Capita Income	\$ 37,989 (3)					
Estimated South Bend Total Personal Income (2 x 3)	\$ 3,843,271,152					

(1) Overlapping debt percentages are based on the net assessed value of South Bend properties in proportion to the total net assessed value.

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

(3) South Bend-Mishawaka, IN Metropolitan Area Profile (www.stats.indiana.edu).

City of South Bend, Indiana

Statistical Section

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
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	-	-	-	128,209,220	0.00%
2008	-	-	-	138,022,795	0.00%
2009	-	-	-	142,962,710	0.00%
2010	-	-	-	150,758,014	0.00%
2011	-	-	-	172,397,679	0.00%
2012	-	-	-	162,460,000	0.00%
2013	-	-	-	152,889,475	0.00%
2014	-	-	-	154,300,097	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

Statistical Section

Ratio of Net General Bonded Debt to Net Assessed Valuation and Net Bonded Debt per Capita Last Ten Years

Tax Year/ Collection Year	Population (1)	Net Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Percent of Net Bonded Debt To Net Assessed Value	Net Bonded Debt Per Capita
2004/2005	105,743	\$ 2,818,940,818	\$ 320,000	\$ 320,000	\$ -	0.00%	\$ -
2005/2006	104,457	2,835,265,890	-	-	-	0.00%	0.00
2006/2007	104,069	3,022,157,147	-	-	-	0.00%	0.00
2007/2008	104,905	2,976,080,798	-	-	-	0.00%	0.00
2008/2009	106,192	2,668,887,419	-	-	-	0.00%	0.00
2009/2010	101,168	2,453,505,573	-	-	-	0.00%	0.00
2010/2011	101,168	2,324,451,862	-	-	-	0.00%	0.00
2011/2012	101,168	2,380,874,608	-	-	-	0.00%	0.00
2012/2013	101,168	2,371,087,697	-	-	-	0.00%	0.00
2013/2014	101,168	2,209,726,672	-	-	-	0.00%	0.00

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

City of South Bend, Indiana

Statistical Section

St. Joseph County Hotel/Motel Tax Board

Statement of Estimated Cash Flow and Debt Service Coverage

Year	Projected Hotel/Motel Tax Revenues	2011 B Century Center Refunding Bonds (1)	2013 Century Center Refunding Bonds	Total Annual Debt Service	Estimated Excess Funds	Estimated Coverage
2015	\$ 4,218,244	\$ 150,000	\$ 398,500	\$ 548,500	\$ 3,669,744	769%
2016	4,260,000	150,000	396,000	546,000	3,714,000	780%
2017	4,300,000	150,000	394,000	544,000	3,756,000	790%
2018	4,345,000	-	395,000	395,000	3,950,000	1100%
2019	4,390,000	-	396,500	396,500	3,993,500	1107%
2020	4,430,000	-	397,000	397,000	4,033,000	1116%
2021	4,475,000	-	396,500	396,500	4,078,500	1129%
2022	4,520,000	-	395,000	395,000	4,125,000	1144%
2023	4,565,000	-	394,500	394,500	4,170,500	1157%
2024	4,610,000	-	396,000	396,000	4,214,000	1164%
2025	4,656,000	-	283,500	283,500	4,372,500	1642%
2026	4,700,000	-	84,500	84,500	4,615,500	5562%
Total	\$ 53,469,244	\$ 450,000	\$ 4,327,000	\$ 4,777,000	\$ 48,692,244	1119%

Source: Saint Joseph County Hotel/Motel Tax Board financial reports
City of South Bend Debt Schedules

(1) \$150,000 paid from hotel/motel tax revenue. The balance paid from City of South Bend revenue sources.

City of South Bend, Indiana

Statistical Section Schedule of Revenue Bond Coverage Water Utility Bonds Last Ten Years

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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%
2014	14,373,176	10,105,709	4,267,467	1,251,588	769,025	2,020,613	211%

(1) Operating expenses exclude depreciation.

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.

City of South Bend, Indiana

Statistical Section Schedule of Revenue Bond Coverage Wastewater Utility Bonds Last Ten Years

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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	11,526,554	20,399,524	5,080,425	3,354,156	8,434,581	242%
2014	34,009,117	14,313,967	19,695,150	6,320,626	3,376,045	9,696,671	203%

(1) Operating expenses exclude depreciation.

(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

City of South Bend, Indiana

Statistical Section Municipal Sewage Works

Annual Wastewater Flow Data

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Capacity (MGD)	48	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	32.00
Peak Flow	50.70	60.30	75.00	68.80	62.00	72.50	63.70	62.50	68.50
Annual Flow (MG)	11,559	11,845	13,835	14,024	11,264	13,068	11,596	11,203	11,677

Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
2006	39,124
2007	37,018
2008	38,282
2009	36,664
2010	38,455
2011	39,027
2012	39,068
2013	39,322
2014	39,461

Source: City of South Bend Environmental Services Department

City of South Bend, Indiana

Statistical Section Statement of City-owned Utility Debt December 31, 2014

South Bend Municipal Sewage Works

Sewage Works Revenue Bonds of 2006	\$ 5,740,000
Sewage Works Revenue Bonds of 2007	12,320,000
Sewage Works Revenue Bonds of 2007 B	12,280,000
Sewage Works Revenue Bonds of 2010	7,905,000
Sewage Works Revenue Bonds of 2011	19,040,000
Sewage Works Revenue Bonds of 2012	22,965,000
Sewage Works Revenue Bonds of 2013 A	11,855,000
Total Sewage Utility Debt	<u>\$ 92,105,000</u>

South Bend Municipal Waterworks

Waterworks Revenue Bonds of 2000	
State Revolving Fund (SRF) Loan	\$ 860,913
Waterworks Revenue Bonds of 2006	3,300,000
Waterworks Revenue Bonds of 2009, Series A	
State Revolving Fund (SRF) Loan	372,364
Waterworks Revenue Bonds of 2009, Series B	
Indiana Bond Bank	4,775,000
Waterworks Revenue Bonds of 2012	3,100,000
Waterworks Revenue Refunding Bonds of 2012, Series B	7,620,000
Total Water Utility Debt	<u>\$ 20,028,277</u>

Total Utility Debt \$ 112,133,277

Source: City of South Bend Finance Administration

City of South Bend, Indiana

Statistical Section Estimate Debt Service Coverage Calculation of Sewer Works December 31, 2014

Operating Revenues	\$ 34,009,117
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(14,313,967)</u>
Net Revenues Available for Debt Service	19,695,150
Estimated Combined Annual Debt Service	<u>9,696,671</u>
Coverage - \$	<u>\$ 9,998,479</u>
Coverage - %	<u>203%</u>

City of South Bend, Indiana

Statistical Section Estimate Debt Service Coverage Calculation of Water Utility December 31, 2014

Operating Revenues	\$ 14,373,176
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(10,105,709)</u>
Net Revenues Available for Debt Service	4,267,467
Estimated Combined Maximum Annual Debt Service	<u>2,020,613</u>
Coverage - \$	<u>\$ 2,246,854</u>
Coverage - %	<u>211%</u>

City of South Bend, Indiana

Statistical Section
Projected City of South Bend COIT Revenues
.6% COIT Tax Rate
Levy is Used to Distribute COIT

Year of Collection	St. Joseph County Projected Distribution	Projected COIT	Projected COIT Amount Available For Debt Service
2014	\$ 25,275,541	34.21 %	\$ 8,645,811
2015	26,435,155 (1)	33.52	8,859,912 (1)
2016	26,435,155	33.52	8,859,912
2017	26,435,155	33.52	8,859,912
2018	26,435,155	33.52	8,859,912
2019	26,435,155	33.52	8,859,912
2020	26,435,155	33.52	8,859,912
2021	26,435,155	33.52	8,859,912
2022	26,435,155	33.52	8,859,912
2023	26,435,155	33.52	8,859,912
Total			<u>\$ 88,385,019</u>

(1) Kept constant based on 2015.

Source: Department of Local Government Finance (DLGF)

City of South Bend, Indiana

Statistical Section

Statement of Estimated Cash Flow and Debt Service Coverage

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	First Mortgage Revenue Bonds Series 2013 Lease Payments	Total Lease Payments	Estimated Excess Funds	Estimated Coverage
2015	\$ 8,859,912	\$ 746,318	\$ 680,000	\$ 1,572,000	\$ 405,680	\$ 3,403,998	\$ 5,455,914	260%
2016	8,859,912	732,604	673,000	1,572,000	404,155	3,381,759	5,478,153	262%
2017	8,859,912	720,905	675,000	1,570,000	402,480	3,368,385	5,491,527	263%
2018	8,859,912	706,650	675,000	1,564,000	395,730	3,341,380	5,518,532	265%
2019	8,859,912	-	673,000	1,562,000	398,830	2,633,830	6,226,082	336%
2020	8,859,912	-	678,000	1,567,000	396,705	2,641,705	6,218,207	335%
2021	8,859,912	-	-	1,567,000	399,355	1,966,355	6,893,557	451%
2022	8,859,912	-	-	1,563,000	396,780	1,959,780	6,900,132	452%
2023	8,859,912	-	-	1,563,000	398,980	1,961,980	6,897,932	452%
2024	8,859,912	-	-	-	406,543	406,543	8,453,369	2179%
2025	8,859,912	-	-	-	411,493	411,493	8,448,419	2153%
2026	8,859,912	-	-	-	410,643	410,643	8,449,269	2158%
2027	8,859,912	-	-	-	414,149	414,149	8,445,763	2139%
2028	8,859,912	-	-	-	421,605	421,605	8,438,307	2101%
2029	8,859,912	-	-	-	422,742	422,742	8,437,170	2096%
2030	8,859,912	-	-	-	422,742	422,742	8,437,170	2096%
2031	8,859,912	-	-	-	427,550	427,550	8,432,362	2072%
2032	8,859,912	-	-	-	431,254	431,254	8,428,658	2054%
2033	8,859,912	-	-	-	433,925	433,925	8,425,987	2042%
Total	\$ 168,338,328	\$ 2,906,477	\$ 4,054,000	\$ 14,100,000	\$ 7,801,341	\$ 28,861,818	\$ 139,476,510	583%

Source: City of South Bend Finance Department

City of South Bend, Indiana

Statistical Section Estimated Tax Increment Revenues Erskine Village Project

<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	\$ 1,311,129	\$ 3.6197	\$ 1,311,129
2013/2014	9,175	-	9,175

- (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. The Redevelopment Commission released TIF for 2013 pay in 2014.

Source: City of South Bend Finance Department

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of South Bend, Indiana

Statistical Section 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)
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	-4.2%
2009	106,192	1.2%	43,403	6.7%	9,466	0.7%	34,651	-2.0%	32.3	20,451	-1.7%
2010	101,168	-4.7%	40,789	-6.0%	9,289	-1.9%	34,286	-1.1%	33.4	20,066	-1.9%
2011	101,168	0.0%	40,873	0.2%	9,768	5.2%	33,322	-2.8%	33.3	19,467	-3.0%
2012	101,168	0.0%	40,873	0.0%	9,768	0.0%	33,322	0.0%	33.3	18,982	-2.5%
2013	101,168	0.0%	40,873	0.0%	10,162	4.0%	38,152	14.5%	33.3	19,680	3.7%
2014	101,168	0.0%	40,873	0.0%	10,162	0.0%	37,989	-0.4%	33.9	19,308	-1.9%

Sources:

- (1) U.S. Census Bureau 2010 Census information (<http://factfinder2.census.gov>). No 2014 information available.
- (2) South Bend Community School Corporation Administration office for enrollment on October 1, 2014.
- (3) South Bend-Mishawaka, IN_MI Metropolitan Area Profile (<http://www.stats.indiana.edu>).
- (4) U.S. Census Bureau (<http://factfinder2.census.gov>). 2014 information not available for Median Family Income

Population statistics are obtained from the U.S. Census Bureau population estimate table.

Effective Buying Income statistics come from "Survey of Buying Power", Sales and Marketing Management, Annual editions, 1992-2003.

School enrollment statistics (public and private schools) are obtained from South Bend/Mishawaka area Chamber of Commerce.

Unemployment and labor force statistics are estimated figures obtained from the Workforce Development Services. These are based on South Bend being a Metropolitan Statistical Area. This is defined as a county or group of contiguous counties with a total population of at least 100,000. The area must also contain at least one city with a population of 50,000 or more.

City of South Bend, Indiana

Statistical Section Demographic Statistics (Continued) Last Ten Years

Year	December South Bend Metropolitan Area Labor Force (I)	Percent Increase/ (Decrease)	December South Bend Metropolitan Area Unemployment (I)	Percent Increase/ (Decrease)	December South Bend Metropolitan Unemployment Rate (I)
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	1.7%	12,648	-6.1%	10.0%
2011	129,438	2.8%	12,366	-2.2%	9.6%
2012	124,968	-3.5%	12,108	-2.1%	9.7%
2013	124,145	-0.7%	9,211	-23.9%	7.4%
2014	125,693	1.2%	8,017	-13.0%	6.4%

Source:

(I) 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

Statistical Section Employment by Type and Industry Last Ten Years

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 **
Total employment	172,746	173,180	173,782	174,814	172,488	163,879	162,658	165,560	164,605	164,832
By Type										
Wage and salary employment	147,608	147,110	147,207	147,123	144,979	135,940	134,905	137,218	136,839	136,543
Proprietors employment	25,138	26,070	26,575	27,691	27,509	27,939	27,753	28,342	27,766	28,289
Farm proprietors employment	1,432	1,391	1,332	1,350	1,333	1,330	1,339	1,340	1,294	1,292
Nonfarm proprietors employment	23,706	24,679	25,243	26,341	26,176	26,609	26,414	27,002	26,472	26,997
By Industry										
Farm employment	2,177	2,065	1,961	1,966	1,841	1,866	1,883	1,977	1,909	1,943
Nonfarm employment	170,569	171,115	171,821	172,848	170,647	162,013	160,775	163,583	162,696	162,889
Private nonfarm employment	152,513	152,969	153,648	154,753	152,421	143,674	142,492	145,406	145,406	146,107
Forestry, fishing, and related activities	(D)	(D)	(D)	181	(D)	(D)	236	260	295	288
Mining	(D)	(D)	57	56	99	103	183	156	192	206
Utilities	(D)									
Construction	9,466	9,524	9,311	9,053	9,079	7,813	6,816	6,805	6,535	6,780
Manufacturing	22,035	21,917	20,962	20,376	19,328	16,503	16,266	17,601	17,650	17,120
Wholesale trade	7,781	7,991	8,320	8,147	7,921	7,015	7,122	7,225	7,078	6,880
Retail trade	20,291	20,078	20,001	20,050	19,011	17,946	17,498	17,654	17,472	17,413
Transportation and warehousing	(D)	(D)	(D)	(D)	(D)	(D)	4,139	(D)	(D)	(D)
Information	2,769	2,679	2,648	2,641	2,525	(D)	2,165	2,029	2,049	2,221
Finance and insurance	6,616	6,513	6,744	6,873	6,945	6,874	6,692	6,894	6,673	6,142
Real estate and rental and leasing	5,372	5,633	5,603	5,709	5,542	5,188	4,936	5,088	4,883	4,980
Professional, scientific, and technical services	7,788	7,238	7,558	7,784	7,736	7,713	7,627	7,573	7,495	7,997
Management of companies and enterprises	866	902	924	1,113	1,235	1,256	(D)	(D)	1,484	2,130
Administrative and waste management services	7,796	8,254	8,892	9,419	8,973	7,967	8,413	8,283	7,843	7,641
Educational services	12,616	12,645	12,677	12,870	13,251	13,055	13,169	13,730	14,096	(D)
Health care and social assistance	18,257	18,427	19,690	20,072	20,259	20,818	20,239	21,208	21,854	(D)
Arts, entertainment, and recreation	2,649	2,674	2,777	2,850	2,809	2,603	2,577	2,743	2,716	2,796
Accommodation and food services	11,118	11,329	11,343	11,335	11,627	10,925	11,010	11,557	11,795	12,157
Other services, except public administration	10,162	10,100	10,118	10,296	10,118	(D)	9,704	10,001	10,039	10,101
Government and government enterprises	18,056	18,146	18,173	18,095	18,226	18,339	18,283	18,177	17,290	16,782
Federal, civilian	1,285	1,251	1,243	1,236	1,223	1,241	1,265	1,091	1,071	1,009
Military	982	947	1,019	995	1,003	1,013	1,003	1,043	1,007	990
State and local	15,789	15,948	15,911	15,864	16,000	16,085	16,015	16,043	15,212	14,783
State government	2,907 E	3,055	3,108	<u>3,069</u>	3,188	3,350	3,434	3,535	3,457	3,265
Local government	(D)	12,893	12,803	12,795	12,812	12,735	12,581	12,508	11,755	11,518

Source: Bureau of Local Economic Analysis (www.bea.gov)

(D) - information not shown on the BEA website to avoid disclosure of confidential information but estimates are included in the totals.

** 2013 is the most recent year available as of the date of publication of this information.

City of South Bend, Indiana

Statistical Section

Comparison 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
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	* 10,132	253,779	13,977	-0.30%	1.84%	1.81%
2014	10,132	253,779	13,977	0.00%	0.00%	0.00%
Average Annual Growth - Most Recent 5 Years				1.55%	3.86%	3.77%
Average Annual Growth - Most Recent 10 Years				2.33%	3.27%	3.96%

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 April 3, 2015. No 2013 or 2014 information available.

* Bureau of Economic Analysis US Department of Commerce Bearfacts (www.bea.gov)

City of South Bend, Indiana

Statistical Section Principal Employers - Current and Nine Years Ago December 31, 2014

Employer	Type of Business	2014			2006 *		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
University of Notre Dame	College/University	5,590	4.45 %	1	4,200	3.11 %	1
Beacon Health System	Health Care	3,400	2.71	2	3,600	2.67	2
South Bend Community School Corp	Public Schools	2,880	2.29	3	3,338	2.47	3
AM General Corporation	Manufacturing/Assembly	2,738	2.18	4	2,292	1.70	5
Martin's Super Markets	Grocery/Retail	1,555	1.24	5			
Meijer, Inc.	Grocery/Retail	1,450	1.15	6			
St. Joseph County	Government	1,300	1.03	7	2,025	1.50	6
Indiana University South Bend	College/University	1,266	1.01	8	1,400	1.04	8
Ist Source Corporation	Banking	1,160	0.92	9			
City of South Bend	Government	1,098	0.87	10	1,288	0.95	9
The Diocese of Fort Wayne/South Bend	Parochial Schools				1,750	1.30	7
Madison Center	Health Care				1,239	0.92	10
Total Number of Employees		22,437	17.85 %		21,132	15.67 %	
Total Employees - South Bend Metropolitan Area Labor Force		125,693	100.00 %		134,889	100.00 %	

Source:

St. Joseph County Chamber of Commerce 2014 Economic Profile

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

* 2005 information not available.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of South Bend, Indiana

Statistical Section Operating Indicators by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</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>2014</u>
Police:										
Physical arrests	5,056	5,932	4,589	4,091	3,785	3,077	3,626	3,174	2,959	2,608
Parking violations	722	515	1,820	1,672	1,479	979	904	1,051	1,019	299
Traffic violations	13,411	16,583	1,626	5,901	11,746	14,163	4,236	7,561	2,180	1,487
Fire:										
Emergency responses	13,444	14,297	14,822	15,123	14,341	15,578	15,408	15,720	15,865	15,902
Fires extinguished	220	227	279	264	264	225	251	214	220	227
Inspections	5,585	4,875	4,302	4,467	4,205	4,233	3,553	3,325	2,273	3,133
Refuse collection -										
Refuse collected (tons per day) (1)	238	269	267	137	70	120	123	128	122	128
Other public works:										
Street resurfacing (miles)	29.30	15.00	16.50	14.70	14.50	20.30	18.10	16.90	21.00	22.00
Potholes repaired (tonnage)	372.06	239.88	923.00	898.00	629.22	380.00	332.32	117.21	691.00	826.25
Parks and recreation:										
Athletic field permits issued	750	700	1,000	738	700	381	227	133	93	120
Fitness Center Admissions	37,247	61,452	63,088	70,193	74,438	60,118	67,408	61,002	63,671	67,428
Water:										
New billable housing starts	445	471	321	299	194	179	144	160	242	141
Water main breaks	80	54	105	72	87	76	60	66	80	134
Average daily consumption (thousands of gallons)	20,071	17,704	19,042	18,280	16,100	15,955	15,600	16,600	15,300	11,000
Wastewater -										
Average daily sewage treatment (thousands of gallons)	31,800	32,800	35,970	37,800	41,200	30,861	35,800	31,770	30,690	31,991

Sources: Various city departments

(1) 2007 and prior years were in cubic yards

City of South Bend, Indiana

Statistical Section Capital Asset and Infrastructure Statistics by Function/Program Last Ten Fiscal Years

<u>Function/program</u>	<u>Fiscal Year</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>2014</u>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	25	25	25	19	19	19	19
Fire:										
Stations	11	11	11	11	11	11	11	11	11	11
Training Center	0	0	0	0	0	0	0	0	0	1
Rescue units	31	31	32	32	33	33	33	33	33	33
Refuse collection -										
Collection trucks	23	22	22	22	21	23	23	19	19	19
Other public works:										
Streets (miles)	498	500	500	500	532	532	499	525	525	525
Streetlights	966	1,060	1,170	1,242	2,500	2,500	2,500	2,700	2,700	3,000
Traffic signals	164	167	160	160	162	162	164	165	167	162
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	27	27	27	27	27	27	27	27
Soccer/Football fields	17	17	17	17	17	17	17	19	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	3
Water:										
Water mains (miles)	547	553	558	560	560	580	582	583	584	583
Fire hydrants	4,914	5,013	4,000	5,081	5,317	5,345	5,377	5,401	5,436	5,448
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	534	534	534	528	526	527
Storm sewers (miles)	200	200	200	200	200	127	127	133	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

Statistical Section New Construction - Number of Permits and Property Values Last Ten Fiscal Years (Dollar Amounts in 000's)

Year	Residential Number of Permits	Residential Value (in 000s)	Commercial Number of Permits	Commercial Value (in 000s)	Public Utility Number of Permits	Public Utility Value (in 000s)	Manufacturing Number of Permits	Manufacturing Value (in 000s)	Total Value (in 000s)	Total Value Increase/ (Decrease)
2005	166	\$ 25,123	17	\$ 28,578	2,611	\$ 39,435	1	\$ 6,000	\$ 99,136	2.9%
2006	102	17,241	21	36,749	2,282	34,836	2	7,927	96,753	-2.4%
2007	103	18,314	28	27,082	1,907	28,720	5	6,612	80,728	-16.6%
2008	55	10,032	15	44,678	1,662	29,685	1	2,416	86,811	7.5%
2009	48	8,467	10	29,451	1,627	28,785	-	-	66,703	-23.2%
2010	35	7,450	5	28,283	1,221	25,998	-	-	61,731	-7.5%
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	-36.3%
2012	45	9,827	11	21,247	-	-	2	2,291	33,365	-15.2%
2013	50	15,136	8	4,954	-	-	1	160	20,250	-39.3%
2014	51	13,101	12	10,392	-	-	-	-	23,493	16.0%

Source - Consolidated City/County Building Department

City of South Bend, Indiana

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

<u>Department</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>2014</u>
<u>General Government</u>										
Mayor's Office	10.00	10.00	10.00	9.00	8.00	7.00	7.00	6.00	6.00	7.00
City Clerk's Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Common Council (elected officials, part-time)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Administration and Finance	31.00	32.00	31.00	29.00	26.00	26.00	27.00	22.00	20.00	21.00
Legal Department	15.00	15.00	15.00	15.00	9.00	9.00	9.00	9.00	10.00	10.00
Engineering	19.00	19.00	18.50	18.50	16.00	19.00	17.00	15.00	13.00	14.00
311 Call Center	-	-	-	-	-	-	-	-	5.00	7.00
Safety and Risk	-	-	-	-	-	-	-	3.00	3.00	3.00
Human Rights	-	-	-	-	-	-	-	6.00	6.00	6.00
<u>Public Safety</u>										
Police Department	317.00	317.00	320.00	317.00	279.00	293.00	293.00	291.00	291.00	295.00
Communication Center	31.00	31.00	30.00	30.00	37.00	38.00	35.00	35.00	33.00	34.00
Fire Department	255.00	255.00	254.00	254.00	246.00	255.00	258.00	249.00	255.00	257.00
Building Maintenance	7.00	7.00	7.00	7.00	4.00	3.00	3.00	-	-	-
<u>Culture and Recreation</u>										
Parks and Recreation (2)	123.00	122.00	122.00	121.00	111.00	113.00	114.00	114.00	113.00	87.00
Convention and Events Management (1)	50.00	49.00	16.00	15.00	13.00	13.00	14.00	14.00	14.00	14.00
<u>Economic Development</u>										
Department of Community Investment	42.00	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00
<u>Highways and Streets</u>										
Street Department	71.00	66.00	54.00	54.00	51.00	52.00	56.00	52.00	60.00	59.00
Traffic and Lighting	11.00	11.00	11.00	11.00	6.00	0.00	0.00	0.00	0.00	0.00
<u>Enterprise Funds</u>										
Water Works	86.00	86.00	86.00	80.00	82.00	75.00	74.00	73.00	70.00	68.00
Wastewater	51.00	53.00	54.50	56.50	48.00	51.00	49.00	46.00	45.00	42.00
Organic Resources (formerly in Wastewater)	-	-	-	-	-	-	-	6.00	6.00	6.00
Sewer	30.00	29.00	28.00	28.00	33.00	35.00	36.00	39.00	34.00	33.00
Solid Waste	31.00	31.00	26.00	26.00	26.00	26.00	23.00	24.00	26.00	22.00
Building Department	22.00	22.00	22.00	22.00	15.00	13.00	13.00	13.00	14.00	13.00
Code Enforcement (formerly General Gov't)	28.00	28.00	27.00	27.00	27.00	23.00	25.00	25.00	24.00	23.00
<u>Internal Service Fund</u>										
Central Services	50.00	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00
Total Positions	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	1,098.00

City of South Bend, Indiana

Statistical Section

Full-time Equivalent City Government Employees by Department (Continued) Last Ten Fiscal Years

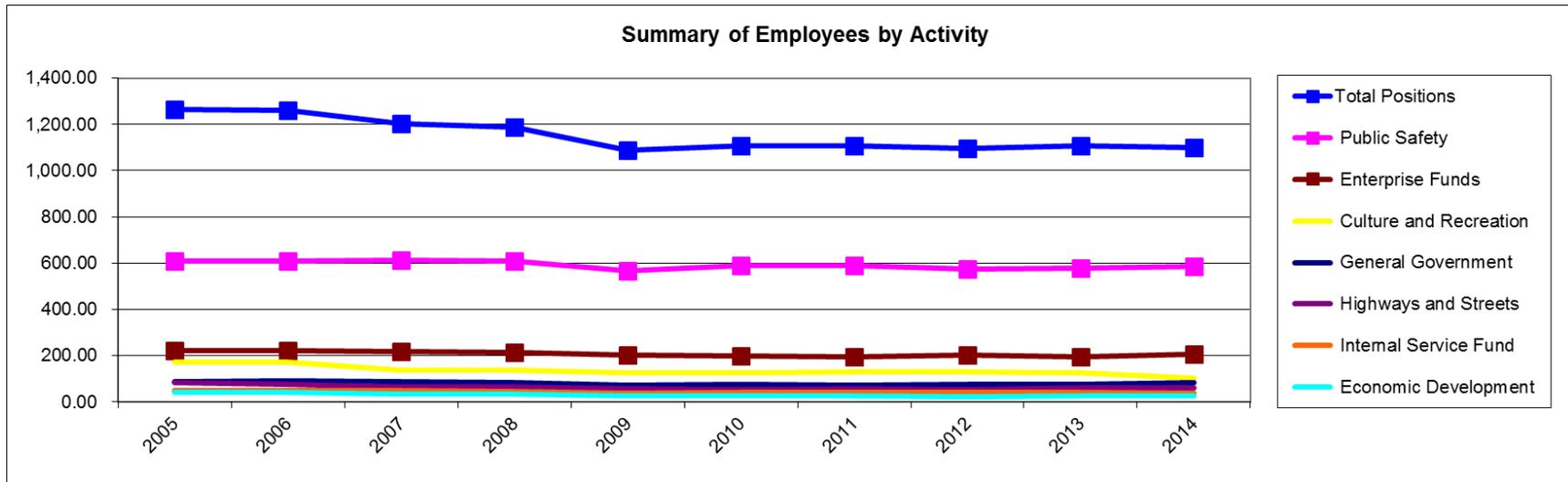
<u>Department</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Summary by Activity										
General Government	89.00	90.00	88.50	85.50	73.00	75.00	74.00	75.00	77.00	82.00
Public Safety	610.00	610.00	611.00	608.00	566.00	589.00	589.00	575.00	579.00	586.00
Culture and Recreation	173.00	171.00	138.00	136.00	124.00	126.00	128.00	128.00	127.00	101.00
Economic Development	42.00	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00
Highways and Streets	82.00	77.00	65.00	65.00	57.00	52.00	56.00	52.00	60.00	59.00
Enterprise Funds	220.00	221.00	216.50	212.50	204.00	200.00	195.00	201.00	195.00	207.00
Internal Service Fund	50.00	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00
Total Positions	1,266.00	1,260.00	1,203.00	1,186.00	1,089.00	1,109.00	1,108.00	1,097.00	1,107.00	1,098.00

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.

(2) Potawatomi Zoo employees (33) became employees of the Potawatomi Zoological Society through a public-private partnership as of January 1, 2014.

Source: City of South Bend's Performance-based Budgets and Personnel Records



City of South Bend, Indiana

Statistical Section Salary Rate Comparison 1990 - 2014

Year	---- 1st Class Patrol Officer----		--- 1st Class Fire Fighter---		Non-bargaining	Teamsters
	Percent	Base Salary	Percent	Base Salary		
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%
2014	2.50%	53,113	3.01%	53,100	2.00%	2.00%

Source - City of South Bend personnel records

City of South Bend, Indiana

Statistical Section Insurance Coverage 2014

<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	4/26/14 - 15	\$1,000,000	\$1,799
<u>CRIME</u>			
Public Employee Dishonesty	12/31/14 - 15	\$1,000,000	\$9,128
<u>PROPERTY</u>			
All risk blanket building and contents	7/1/14 - 15	\$621,935,550	\$410,122
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 and Records		Included in above	Included in above
Contractor's Equipment		Included in above	Included in above
Flood Insurance - Pump station and contents	1/15/14 - 15	\$670,000	\$6,557
Eddy Street Commons Parking Garage	3/2/14 - 15		
Building and Infrastructure		\$36,000,000	\$26,115
Business Income and 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	1/1/14 - 15	Statutory	Self-Insured
Third-party Fee		Statutory	\$50,000
Excess Over Self-insured \$400,000 Retention Each Accident		Statutory	\$116,315

Source: City of South Bend Administration & Finance Department
Gibson Insurance Company

City of South Bend, Indiana

Statistical Section Financial Institutions Last Ten Years (Amounts in 000s)

Year	Banks		Savings and Loans		Credit Unions		Total Deposits	Percent Increase/ (Decrease)
	Branches	Deposits	Branches	Deposits	Branches	Deposits		
2005	30	\$1,851,156	10	\$195,445	24	\$1,798,313	\$3,844,914	17.0%
2006	35	2,054,972	5	89,039	24	1,857,323	4,001,334	4.1%
2007	35	2,183,105	5	86,561	24	1,975,374	4,245,040	6.1%
2008	40	2,184,092	-	-	24	2,699,677	4,883,769	15.0%
2009	40	2,443,390	-	-	23	2,914,347	5,357,737	9.7%
2010	40	3,108,702	-	-	n/a	2,410,711	5,519,413	3.0%
2011	39	3,342,964	-	-	n/a	2,474,034	5,816,998	5.4%
2012	40	3,201,888	-	-	n/a	2,735,212	5,937,100	2.1%
2013	37	3,730,018	-	-	n/a	2,854,527	6,584,545	13.2%
2014	39	2,548,101	-	-	n/a	2,911,596	5,459,697	-17.1%

Banks

Ist Source Bank	\$1,220,859	46.10%
Key Bank	440,778	16.65%
Wells Fargo	393,571	14.86%
Others	592,893	22.39%
Total	\$2,648,101	100.00%

Credit Unions

Teacher's Credit Union	\$2,053,365	70.52%
Notre Dame Federal Credit Union	421,922	14.49%
Community Wide Credit Union	285,330	9.80%
AAA Federal Credit Union	51,237	1.76%
Policemen's Federal Credit Union	50,126	1.72%
Others	49,616	1.70%
Total	\$2,911,596	100.00%

n/a - information is not available

Bank of America closed operations in South Bend prior to June 30, 2014, reducing total bank deposits.

Sources:

Federal Deposit Insurance Corporation website (www.fdic.gov). Summary of Deposits, Deposits Market Share Report, Indiana, St. Joseph County, South Bend, Run Report.

National Credit Union Association website (www.ncua.gov). Custom Query, Search Fields, State = Indiana, Total Shares Greater than 1, City = South Bend or Notre Dame. Check data for CU name and total amount of shares and deposits.

City of South Bend, Indiana

Statistical Section Miscellaneous Statistics December 31, 2014

<u>Police Department</u>		
	<u>2013</u>	<u>2014</u>
Authorized Officers	260	260
Vehicles	358	388
<u>Special Officer Groups:</u>		
K-9 Patrols	8	8
SWAT Team	17	17
Metro Drug Task Force (of 20 total)	13	13
NEST - Special Neighborhood Unit	7	7
Motorcycle Patrol Officers	6	5
Bomb Squad	5	3
Crime Prevention Officers	4	4
<u>Crime Data:</u>		
Murders	9	17
Rapes	93	98
Robbery	363	341
Aggravated Assault	199	235
Residential Burglary	1,171	911
Non-residential Burglary	297	311
Larceny	3,095	3,190
Auto Theft	326	332
Arson	27	30
Calls for Service	89,707	89,428
Dispatches	89,707	89,428
Miles Driven	3,461,374	3,321,136
Arrests	2,961	2,608

<u>Fire Department</u>		
Paid Department established 1887		
	<u>2013</u>	<u>2014</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	3,178	3,326
Ambulance Runs	12,834	13,317

<u>Department of Public Works</u>		
	<u>2013</u>	<u>2014</u>
Traffic Signals	167	162
Street Lights (City maintained)	2,700	3,000
Miles of Streets	525	525
Miles of Sidewalks	695	695
Miles of Alleys	398	398
Miles of Sanitary Sewers and Storm Drains	661	660
City Owned Vehicles & Related Units	1,127	1,195
Trash Picked Up Per Week (in tons)	488/wk	519/wk

<u>Sign Shop</u>		
	<u>2013</u>	<u>2014</u>
Work orders for sign maintenance, installation or removal	1,719	2,169
Miles of yellow and white paint	306	160
Pre-formed plastic arrows used for street markings	40	169
Crosswalk painting at intersections	378	229
Turn arrows in turn lanes	20	0
Detour routes	41	62
Temporary No Parking postings	503	584
Built Portables	250	0
Railroad Crossings	39	4
Special Signs Built	1050	1,124
Barricades set up for events (# of events):	126	153
Block Parties	10	24

<u>Sewer Utility</u>		
	<u>2013</u>	<u>2014</u>
Customers	39,322	39,461
Dry Tons of Sludge produced per year	2,490	2,645
Miles of Sanitary Sewer Lines	528	527
Miles of Storm Sewer Lines	133	133

<u>Water Utility</u>		
	<u>2013</u>	<u>2014</u>
Customers/Meters	39,954	40,091
Irrigation Customers	2,815	2,827
Wells/Pumps in service	30	30
Pumping Capacity	60 m.g.d.	60 m.g.d.
Daily Consumption	15.3 m.g.d.	14.7 m.g.d.
Peak Demand	27.1 m.g.d.	22.8 m.g.d.
Miles of Distribution Systems	584	583
Fire Hydrants	5,436	5,448

City of South Bend, Indiana

Statistical Section Miscellaneous Statistics December 31, 2014

South Bend International Airport

<u>Year</u>	<u>Passenger Volume</u>
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
2014	602,555

The South Bend International Airport had 33,503 take-offs and landings during 2014. Approximately 36 commercial airline flights per day fly nonstop to 10 airports.

Commercial airlines with operations at South Bend International Airport (market share):

	<u>2013</u>	<u>2014</u>
Allegiant Air	29.30%	32.01%
Delta Connection	40.17%	44.34%
United Express	23.36%	21.95%
Frontier	5.42%	0.00%
Charters/Nonscheduled	1.75%	1.70%
Total	100.00%	100.00%

Bus Passengers (to O'Hare/Midway)	31,058	37,315
Train Passengers (South Shore)	257,997	251,426

Transportation

South Bend Public Transportation Corporation

	<u>2013</u>	<u>2014</u>
Motor Bus (Fixed Route)		
Route Miles	286.8	286.8
Ridership	2,239,076	2,188,951
Miles of Service	1,318,612	1,362,052
Revenue Miles	1,245,780	1,252,888
Demand Response (ACCESS)		
Ridership	57,831	61,828
Total Miles	313,022	326,381
Revenue Miles	280,904	293,667

Other Transportation

43 Trucking Lines, 33 Terminals
4 Interstate Bus Lines
4 Major Rail Systems (freight and passenger)

Colleges and Universities

<u>Universities and Colleges</u>	<u>Enrollment</u>	
	<u>2013</u>	<u>2014</u>
University of Notre Dame	12,088	12,124
Indiana University at South Bend	8,490	7,859
Bethel College	1,804	1,800
St. Mary's College	1,479	1,500
Holy Cross College	525	525
Trine University - South Bend	154	161
Brown Mackie College - South Bend	448	434
Purdue University South Bend	200	200

<u>Technical Colleges</u>	<u>Enrollment</u>	
	<u>2013</u>	<u>2014</u>
IVY Tech Community College	8,003	6,189

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
Hotels/Motels	43 motels/hotels 4 Bed and Breakfasts Over 4,000 available rooms
Major hotels and meeting rooms:	
Double Tree	facilities to seat 300
Hilton Garden Inn	facilities to seat 600
The Morris Inn	facilities to seat 300
Waterford Estates Lodge	facilities to seat 600

Health Care

The City of South Bend has excellent healthcare 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
-------------------------	----------

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 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
Knut 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

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 31 degrees Fahrenheit
July 83 degrees Fahrenheit

By the Numbers

FROM THE CITY OF SOUTH BEND



Since 2012,
unemployment
reduced by

1/3



\$180,078,262
in commercial private investment



1,368
jobs announced



consecutive year
THE WASTEWATER PLANT
RECEIVED THE INDIANA WATER
ENVIRONMENTAL ASSOCIATION
SAFETY EXCELLENCE AWARD

THE CONCERT INDUSTRY'S
LEADING TRADE PUBLICATION,
POLLSTAR, RANKED THE MORRIS
PERFORMING ARTS CENTER NO.
85 IN ITS "2014 LIST OF TOP 200
WORLDWIDE THEATRES"

#1 IN
INDIANA

The S.M.A.R.T. program has trained

18

South Bend
residents to become
Certified Production
Technicians



49%

increase in the number of animals sent
to private rescue partners

Program attendance at all Parks and
Recreation facilities totaled

921,021



**VACANT AND ABANDONED
HOUSES HAVE BEEN
REPAIRED, DEMOLISHED,
OR CONTRACTED FOR
DEMOLITION**



Council approved a

\$5.58 million parks bond

on the heels of a newly created parks master
plan that prioritized needs across the system



1,408
building projects
started with a
total valuation of

\$84,140,867



A new summer
mentoring
program
created jobs for
25 HIGH SCHOOL
STUDENTS

GUARANTEED ENERGY SAVINGS
CONTRACT AT CENTURY CENTER =

\$80,000

REDUCTION OF YEARLY OPERATING COSTS



Through an Emergency
Solutions Grant, the
City helped fund 5
shelters to serve

3,685
people

485

households assisted through
housing programs and counseling



A market-based strategic

REVITALIZATION PLAN

was adopted for Lincolnway West and Western Avenue