

400 00 30

Loan

Application

INDIANA DEVELOPMENT

FINANCE AUTHORITY

APPLICATION

BROWNFIELDS LOAN1

INDIANA DEVELOPMENT FINANCE AUTHORITY

APPLICATION BROWNFIELDS LOAN1

This application must be completed, signed by the political subdivision and received by the Indiana Development Finance Authority no later than 5:00 p.m. on the application deadline.

11/27

Bob Case: VM w/following questions

① local

Return Completed Application to:
INDIANA DEVELOPMENT FINANCE AUTHORITY
One North Capitol, Suite 320
Indianapolis, Indiana 46204-2226
(317) 233-4332

PLEASE TYPE

1. Name of Political Subdivision ("Applicant") City of South Bend

Address 1200 County-City Building

City South Bend Zip 46601 County St. Joseph

Contact Person Robert D. Case

Telephone Number (219) 235-5836 Fax (219) 235-9021

2. Population of Political Subdivision
(1990 and Most Recent Estimate Available)

approximately 105,000 (1990), estimates for the 2000 census were at 93,000

3. Brownfield Address and Approximate Legal Description
(Attach if Available)

401 North Bendix Drive, South Bend, IN 46628 (See Attachment "A" for legal description)

Township in which Brownfield is Located Portage

4. Owner of Site City of South Bend

***If applicant is not the owner, please attach letter of consent from owner and discuss relationship with owner. Letter must indicate that owner did not contribute to or further the contamination at the site in any way.

5. Provide a Brief History of the Site's Past Uses

Automotive parts manufacture

6. List of All Past and Present Owners

Bendix corporation (1923-1982), AlliedSignal Corporation (1982-1996), Honeywell Corporation (1996-2000), Bosch Corporation (2000), City of South Bend (2000)

7. Are there any current efforts to redevelop the property? Yes

If so, explain. Bosch intends to reclaim a portion of vacant manufacturing area for functional use and demolish structures that are unuseable.

INDIANA DEVELOPMENT FINANCE AUTHORITY

APPLICATION BROWNFIELDS LOAN1

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(1990 and Most Recent Estimate Available)

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(Attach if Available)

401 North Bendix Drive, South Bend, IN 46628 (See Attachment "A" for legal description

Township in which Brownfield is Located Portage

4. Owner of Site City of South Bend

***If applicant is not the owner, please attach letter of consent from owner and discuss relationship with owner. Letter must indicate that owner did not contribute to or further the contamination at the site in any way.

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Automotive parts manufacture

6. List of All Past and Present Owners

Bendix corporation (1923-1982), AlliedSignal Corporation (1982-1996), Honeywell Corporation (1996-2000), Bosch Corporation (2000), City of South Bend (2000)

7. Are there any current efforts to redevelop the property? Yes

If so, explain. Bosch intends to reclaim a portion of vacant manufacturing area for functional use and demolish structures that are unuseable.

8. Amount of Loan Requested (Provide Range, if Appropriate) \$1,300,000

9. Source and Amount of Matching Funds, if Any City of South Bend Airport TIF, State IDGF and IDLF, St. Joseph County EDIT Funds

10. Are You Applying for a Partially Forgivable Loan? Yes Yes No _____

If yes, please answer the following four questions:

A. Does this site involve an abandoned gas station or underground storage tanks?

No _____ Yes Yes If yes, please briefly describe the number, size and type of tanks present and their purpose/use at the site:

One oil tank in building 101 & 1 old tank west of building 104. These were vacated and capped in place by AlliedSignal IDEM is aware of these tanks.

B. Is this site located within one-half (0.5) mile of any of the following:

- A child care center (as defined by IC 12-7-2-28.4)
- A child care home (as defined by IC 12-7-2-28.6)
- A child caring institution (as defined by IC 12-7-2-29)
- A school age child care program (as defined by IC 12-17-12-5)
- An elementary or a secondary school attended by students in kindergarten or grades 1 through 12?

No _____ Yes Yes If yes, please list the name, address and type of each facility and attach a map showing the brownfields site and the distance to each facility or school.

See Attachment "B"

C. Please attach a summary identifying the economic development or redevelopment goals for the site and discussing the impact on the community. (The discussion should address the criteria listed in the loan guidelines and other pertinent factors identified by the community.) Also attach a schedule for the completion of the goals. (Applicant may attach up to three pages in response to this question.)

The Robert Bosch Corporation is an international company based in Germany. They employ 435 people and have an annual payroll of \$27 million. The South Bend facility is one of their main North American research and development locations. They also, have their main communication facility located in South Bend. The City of South Bend and The State of Indiana have been working Bosch for the past year and a half to keep them in the City. As part of these meetings we have been able to secure the company with an agreement to stay and reinvest in the City for the next 20 years. The incentive package for their retention is approximately \$7.5 million. The package includes a means for repayment of a \$4.0 million loan with the rest in grants. The IDFA loan would be to the City of South Bend but would be repaid to the State by the Robert Bosch Corporation. However, the City will take on the responsibility of seeing that this loan is repaid in full and on time. This project is not only to remediate and abate hazardous material from the existing site but also as a retention package to keep a viable business in the City of South Bend and the State of Indiana. The Robert Bosch Corporation is unable to remain in there current facility without major upgrades and renovations. They have also been given a tremendous opportunity to relocate to Michigan if we (City and State) are not able help with their efforts to utilize and re-use their facility. There has been over-whelming praise from the public and private around the City. The Bendix facility is an icon in South Bend just as the Studebaker and Oliver Plow works. We are a proud community that remembers its past and looks forward to the future. This project allows the City and Bosch to help see a viable business to remain in this facility for a long time.

D. Please describe the opportunities given to local residents, businesses and the community as a whole to comment on the economic development or redevelopment goals proposed for the site. Summarize any comments received, including the applicant's responses to any negative comments. (Applicant may attach up to two pages in response to this question.)

As part of the application for the IDGF and IDLF public notice of the hearing was published in two local papers. There were no negative or positive responses. The public hearings took place on October 9 and

23, 2000. A full public presentation was given with time for the public to respond both negatively and positively. There was no one from the public or private sector that responded negatively to this project. The ordinance was adopted with a unanimous vote.

11. Discuss the anticipated use for the loan proceeds To fund consultant fees to identify hazardous materials to be removed and for contracted removal of hazardous materials.

12. Name of Environmental Consultant O'Brien & Gere Companies

Address 39830 Grand River Avenue / Suite B-2

City Novi State Michigan Zip 48375

Telephone 248-426-8970 Fax Number 248-426-8997

Contact Person William B. Clifford, Jr. PE Ext. 213

13. PLEASE ATTACH THE COST ESTIMATE AND ENVIRONMENTAL CONSULTANT'S PROPOSAL OUTLINING THE SCOPE OF WORK TO THIS APPLICATION.

See Attachment "C"

14. If you are not applying for a partially forgivable loan, please describe the opportunities given to local residents, businesses and the community as a whole to comment on the proposed plans for the site. Summarize any comments received, including the applicant's responses to any negative comments. (Applicant may attach up to two pages in response to this question.)

15. Describe the applicant's efforts to inventory, assess and redevelop local brownfield sites in general (i.e. the existence of any organizations or coalitions dealing with brownfields issues, designating a brownfields coordinator and prioritizing brownfield sites).

Currently the City of South Bend is corrdinating efforts to assess, abate and remediate the Studebaker Cooridor and the Oliver Plow Works sites for adaptive re-uses. We are also working with a private firm to establish adaptive re-uses for the old Drury's Brewery located in the heart of the City.

16. If you are not applying for a partially forgivable loan, please discuss the impact this project will have on the community, including economic development and educational, recreational and housing needs. Discuss the redevelopment plans for the site, investment in the site, marketability of the site, potential increased tax revenues to the applicant, potential job creation, previous efforts to redevelop the site, and any other relevant information about the project. (PLEASE LIMIT RESPONSE TO THIS QUESTION TO TWO TYPED PAGES.)

17. Briefly describe any relevant economic factors about the area in which the project is located, including census tract information. Please note if it is in an Urban Enterprise Zone, an Industrial Recovery Site (a "Dinosaur" Building), a federally-designated Enterprise Zone or Community, a Brownfield Revitalization Zone, slum or blighted area, or any other specially-designated area.

The existing facility, Robert Bosch Corportation is located both in the Urban Enterprise Zone and the Airport Economic Development Area

18. Have any site characterizations or assessments been performed on this property before? If so, please briefly explain the assessments and the results. (IDEM may request copies of the assessments during the review process.)

Honeywell is working under a VRP with IDEM.

19. Has this site been remediated of any environmental contamination (including removing underground storage tanks)?

If so, describe:

Per item # 18 above

20. Have you received a prior brownfields loan or grant? No No Yes

If yes, please list type, date and amount received

21. PLEASE PROVIDE A COPY OF THE APPLICANT'S MOST RECENT AUDIT BY THE STATE BOARD OF ACCOUNTS.

See Attachment "D"

Additional Information:

***Brownfields are sites that are abandoned, inactive or UNDERUTILIZED where development is difficult due to environmental contamination OR PERCEIVED environmental contamination. Abandoned gas stations, old grain elevators, and old factories are prime examples of brownfields. Please respond to the following questions to assist us in gathering a more accurate picture of the need for brownfield redevelopment statewide.

1. Approximately how many brownfield sites do you have within your boundaries?

50

2. Of those sites, how many would you characterize as:

Seriously contaminated 20

Contaminated 30

Slightly Contaminated

Don't Know

3. On how many of those sites have you received inquiries or interest from Companies or developers?

4

4. In general, what is the biggest barrier to redeveloping these sites?

The biggest barrier cannot be described by one single factor because all sites are different. I can list the common factors that are barriers; 1. funding, 2. location for adaptive re-uses, 3. cooperation between the public and private sectors.

5. Of these sites, if remediated, how many would you characterize as:

Highly Marketable 2

Marketable 4

Not Very Marketable 44

Don't Know

The applicant certifies under penalty of perjury that the information provided in this application is true and correct to the best of its knowledge and belief.

City of South Bend, Indiana
Name of Political Subdivision

By: Stephen J. Lucchesi
(Person authorized to sign on behalf of the political subdivision)

Title: Mayor

Date: 11/16/00

Revised 12/28/99

1 Pursuant to Ind. Code 13-9-5

IDFA Brownfield Loan

Attachment "A"

COPY

0040366

Mail Tax Bills To:

Robert Bosch Corporation
2800 South 25th Street
Broadville, Illinois 60153
Attn: Luke Baer, Esq.

WARRANTY DEED

18-2066-2414
18-2069-2527
18-2066-2445
18-2066-2455
18-2040-1387
18-2040-138701
18-2066-2430
18-2066-2450
18-2066-2453
18-2066-2454

Transaction 5881

Taxing Unit VB

Date 8-22-2000

Tax Key No.

7

THIS INDENTURE WITNESSETH that ROBERT BOSCH CORPORATION, a Delaware corporation, Grantor, CONVEYS AND WARRANTS to THE CIVIL CITY OF SOUTH BEND, INDIANA for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following Real Estate in St. Joseph County, Indiana, to-wit:

(SEE ATTACHED LEGAL)

Subject to taxes, and all easements, covenants and restrictions of record.

The undersigned individual executing this Warranty Deed on behalf of Grantor represents and certifies that he is duly authorized to act for Grantor and has been fully empowered, by proper resolution of the Board of Directors of Grantor, to execute and deliver this deed; that Grantor has full corporate capacity to convey the real estate described herein; and that all necessary corporate action for the making of such conveyance has been taken and done.

No Indiana Gross Property Taxes are due on this Property at this time.

IN WITNESS WHEREOF, Grantor has executed this Warranty Deed this 17th day of August, 2000.

00 AUG 22 AM 10:08

TERRELL K. KANE
ST. JOSEPH CO. RECORDER
ST. JOSEPH, INDIANA

DULY ENTERED FOR TAXATION
JOSEPH F. NAGY
AUDITOR
ST. JOSEPH CO. INDIANA

Grantor:

ROBERT BOSCH CORPORATION

By: _____

Name: Luke Baer

Its: Vice President, General Counsel & Secretary

STATE OF ILLINOIS)

) SS:

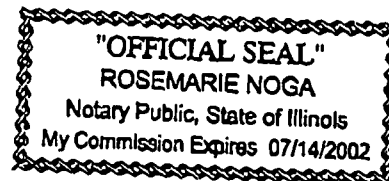
COUNTY OF COOK)

Before me, the undersigned, a Notary Public in and for said County and State, this 17 day of August, 2000 personally appeared Luke Baer, and after first being duly sworn, acknowledged the execution of the foregoing Warranty Deed for and on behalf of said Grantor and stated that the representations contained herein are true.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

Rosemarie Noga
Notary Public
My Commission Expires: 7-14-02
County of Residence: Cook

This document was prepared by:
Peter G. Trybula (15964-71)
BAKER & DANIELS
205 West Jefferson Blvd., Suite 250
South Bend, IN 46601



Legal Description of Parcel A

A parcel of land being a part of the West half of the Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, St. Joseph County, Indiana and being more particularly described as follows:

Beginning at the intersection of the South right-of-way line of Bendix Drive and the West right-of-way line of Bendix Street; thence South $0^{\circ}-00'-00''$ East along said West right-of-way line of Bendix Street, a distance of 602.98 feet; thence South $45^{\circ}-54'-10''$ East along the Southwesterly right-of-way line of Washington Street, a distance of 237.97 feet to the South line of said West half of the Southwest Quarter; thence North $89^{\circ}-54'-05''$ West along said South line, a distance of 402.31 feet to the Northeasterly right-of-way line of the Chicago South Shore and South Bend Railroad; thence North $62^{\circ}-42'-17''$ West along said Northeasterly right-of-way line, a distance of 394.85 feet; thence North $24^{\circ}-58'-43''$ East, a distance of 50.30 feet; thence North $1^{\circ}-01'-45''$ West, a distance of 40.72 feet; thence North $0^{\circ}-09'-03''$ East along the West face of an Industrial Building, a distance of 113.11 feet; thence South $89^{\circ}-58'-21''$ West, a distance of 16.00 feet; thence North $0^{\circ}-09'-03''$ East, a distance of 8.05 feet; thence North $89^{\circ}-57'-00''$ West, a distance of 3.59 feet; thence North $0^{\circ}-08'-44''$ East along the West face of said Industrial Building, a distance of 371.13 feet; thence North $87^{\circ}-38'-33''$ West along said Industrial Building, a distance of 1.85 feet; thence North $3^{\circ}-54'-24''$ West along said Industrial Building and its projection North, a distance of 21.58 feet to the South right-of-way line of Bendix Drive; thence South $89^{\circ}-54'-05''$ East, a distance of 589.54 feet to the place of beginning containing 9.91 acres more or less.

Legal Description of Parcel B

A parcel of land being a part of Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 125 Kaley 1st Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 269.87 feet to the Southeast corner of Lot 84 in said Kaley's 1st Subdivision; thence North 89-54'-05" West along the South line of Lots 84, 83, 82, 81, 80 and 79 in said Kaley's 1st Subdivision and Lot 138, 137, 136 and 135 and Kaley's 2nd Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana, a distance of 464.00 feet to the East right-of-way line of Bendix Street; thence North 0-00'-00" East along the said East right-of-way line, a distance of 269.87 feet to the North line of Lot 134 in said Kaley's 2nd Subdivision; thence South 89-54'-05" East along the North line of lots 134, 133, 132, 131, 130, 129, 128, 127, 126 and 125 in said Kaley's 2nd Subdivision, a distance of 464.00 feet to the place of beginning.

Legal Description of Parcel C

PARCEL C-1

A parcel of land being a part of Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 76 Kaley 1st Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 270.28 feet to the Southeast corner of Lot 29 in said Kaley 1st Subdivision; thence North 89-54'-05" West along the South line of Lots 29, 28, 27 in said Kaley's 1st Subdivision and Lots 146, 145, 144 and 143 in Kaley's 2nd Subdivision, a distance of 274.00 feet to the East right-of-way line of Bendix Street; thence North 0-00'-00" East along said East right-of-way line, a distance of 270.28 feet to the North line of Lot 142 in said Kaley's 2nd Subdivision; thence South 89-54'-05" East along the North line of Lots 142, 141, 140 and 139 in said Kaley's 2nd Subdivision and Lots 78, 77 and 76 in said Kaley's 1st Subdivision, a distance of 274.00 feet to the place of beginning.

PARCEL C-2

A parcel of land being a part of Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 73 Kaley 1st Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 270.28 feet to the Southeast corner of Lot 32; thence North 89-54'-05" West along the South line of Lots 32, 31 and 30, a distance of 130.00 feet to the Southwest corner of Lot 30 in said Kaley's 1st Subdivision; thence North 0-00'-00" East along the West line of Lots 30 and 75 in said Kaley's 1st Subdivision, a distance of 270.28 feet to the Northwest corner of said Lot 75; thence South 89-54'-05" East along the North line of Lots 75, 74 and 73 in said Kaley's 1st Subdivision, a distance of 130.00 feet to the place of beginning.

Legal Description of Parcel D

PARCEL D-1

A parcel of land being a part of Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 147 Kaley 2nd Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 64.10 feet to the Northeasterly right-of-way line of Washington Street; thence North 45-54'-10" West along said Northeasterly right-of-way line, a distance of 92.27 feet to the North line of Lot 148 in said Kaley's 2nd Subdivision; thence South 89-54'-05" East along the North line of said Lots 148 and 147, a distance of 66.27 feet to the place of beginning.

PARCEL D-2

A parcel of land being a part of Southwest Quarter of Section 3, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 24 Kaley's 1st Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 128.00 feet to the Southeast corner of said Lot 24; thence North 89-54'-05" West along the South line of Lots 24 and 25, a distance of 77.93 feet to the Northeasterly right-of-way line of Washington Street; thence North 45-54'-10" West along said Northeasterly right-of-way line, a distance of 72.50 feet to the West line of Lot 26 in said Kaley's 1st Subdivision; thence North 0-00'-00" West along the west line of said Lot 26, a distance of 77.64 feet to the Northwest corner of Lot 26; thence South 89-54'-05" East along the North line of Lots 26, 25 and 24, a distance of 130.00 feet to the place of beginning.

PARCEL D-3

A parcel of land being a part of Northwest Quarter of Section 10, Township 37 North, Range 2 East, Portage Township, City of South Bend, Indiana and being more particularly described as follows:

Beginning at the Northeast corner of Lot 101 Subdivision of unplatted Land of West End Subdivision as shown in the Office of the Recorder of St. Joseph County, Indiana; thence South 0-00'-00" West, a distance of 61.38 feet to the Northeasterly right-of-way line of Washington Street; thence North 45-54'-10" West along said Northeasterly right-of-way line, a distance of 88.36 feet

Legal Description of Parcel E

Lot 124 Kaley's 2nd Subdivision as shown in the Office of the Recorder of St. Joseph County,
Indiana.

⑤

COPY

0040367

Transfer 5882
Taxing Unit Portage
Date 8-22-2000

Mail Tax Bills to:

*Robert + Bosch Corporation
2800 South 25th Street
Broadville, Illinois 60153
Attn: Luke Boer, Esq*

Tax Key No.:
No Key # Designated

QUIT-CLAIM DEED

3

THIS INDENTURE WITNESSETH that ROBERT BOSCH CORPORATION, a Delaware corporation, Grantor, RELEASES, QUIT-CLAIMS and CONVEYS to THE CIVIL CITY OF SOUTH BEND, INDIANA for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following Real Estate in St. Joseph County, Indiana, to-wit:

(SEE ATTACHED LEGAL DESCRIPTION)

Subject to taxes, and all easements, covenants and restrictions of record.

The undersigned individual executing this Quit-Claim Deed on behalf of Grantor represents and certifies that he is duly authorized to act for the Grantor and has been fully empowered, by proper resolution of the Board of Directors of Grantor, to execute and deliver this deed; that Grantor has full corporate capacity to convey the real estate described herein; and that all necessary corporate action for the making of such conveyance has been taken and done.

No Indiana Gross Property Taxes are due on this Property at this time.

IN WITNESS WHEREOF, Grantor has executed this Quit-Claim Deed this 17th day of August, 2000.

DULY ENTERED FOR TAXATION
JOSEPH F. NAGY
AUDITOR
ST. JOSEPH CO. INDIANA

00 AUG 22 AM 10:09
TERRI J. PETTIT
CLERK
ST. JOSEPH CO. INDIANA

Grantor:

ROBERT BOSCH CORPORATION

By: _____

Name: Luke Baer

Its: Vice President, General Counsel & Secretary

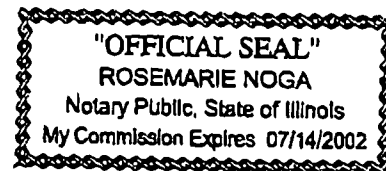
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, the undersigned, a Notary Public in and for said County and State, this 17 day of August, 2000 personally appeared Luke Baer, and after first being duly sworn, acknowledged the execution of the foregoing Quit-Claim Deed for and on behalf of said Grantor and stated that the representations contained herein are true.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

Rosemarie Noga
Notary Public
My Commission Expires: 7-14-02
County of Residence: Cook

This document was prepared by:
Peter G. Trybula (15964-71)
BAKER & DANIELS
205 West Jefferson Blvd., Suite 250
South Bend, IN 46601



Legal Description of Parcel F

Parcel F-1

A parcel of land being a part of the West half of the Southwest Quarter of Section 3, Township 37 North, Range 2 East, City of South Bend, Portage Township, St. Joseph County, Indiana and being more particularly described as follows:

Commencing at the intersection of the Southwesterly right-of-way line of Washington Street with the South line of the Southwest Quarter of Section 3; thence North $89^{\circ}-54'-05''$ West along said South line, a distance of 402.31 feet to the Northeasterly right-of-way line of Chicago, South Shore and South Bend Railroad; thence North $64^{\circ}-42'-17''$ West along said Northeasterly right-of-way line, a distance of 9.88 feet to the place of beginning; thence continuing North $64^{\circ}-42'-17''$ West along said Northeasterly right-of-way line, a distance of 384.97 feet; thence South $26^{\circ}-09'-48''$ West, distance of 8.42 feet; thence South $63^{\circ}-50'-12''$ East, a distance of 68.45 feet; thence South $48^{\circ}-59'-55''$ East, a distance of 16.47 feet; thence South $31^{\circ}-21'-22''$ East, a distance of 25.33 feet; thence South $69^{\circ}-35'-35''$ East, a distance of 11.74 feet; thence South $59^{\circ}-39'-23''$ East, a distance of 40.40 feet; thence South $68^{\circ}-56'-55''$ East, a distance of 70.03 feet; thence South $72^{\circ}-38'-44''$ East, a distance of 101.25 feet; thence South $75^{\circ}-44'-00''$ East, a distance of 58.67 feet to the place of beginning containing 0.16 acres more or less.

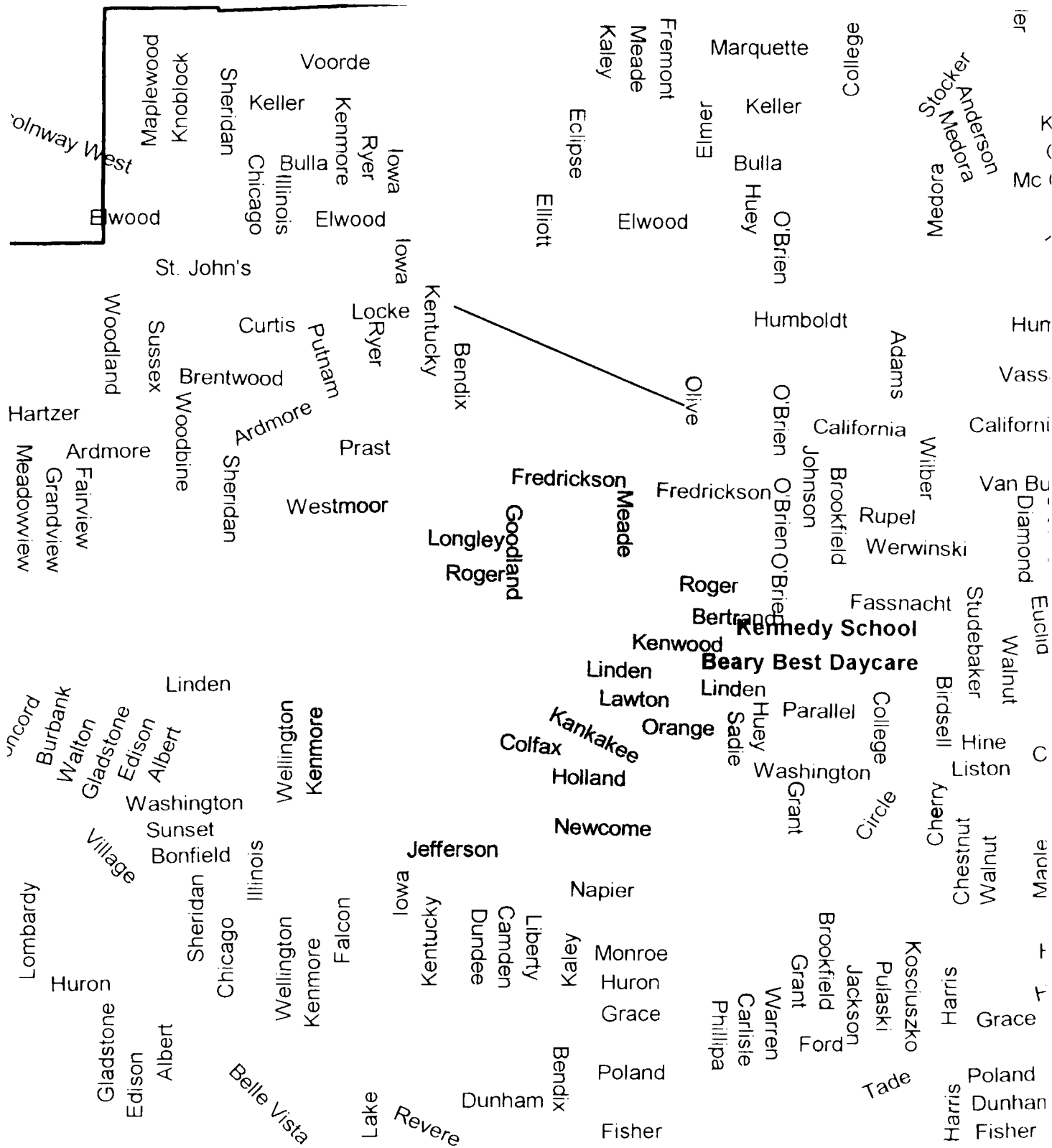
Parcel F-2

A parcel of land being a part of the West half of the Northwest Quarter of Section 10, Township 37 North, Range 2 East, City of South Bend, Portage Township, St. Joseph County, Indiana and being more particularly described as follows:

Beginning at the intersection of the Southwesterly right-of-way line of Washington Street with the South line of the Southwest Quarter of Section 3; thence North $89^{\circ}-54'-05''$ West along said South line, a distance of 394.59 feet to the Northeasterly right-of-way line of Chicago, South Shore and South Bend Railroad; thence South $75^{\circ}-44'-00''$ East, a distance of 159.28 feet; thence South $80^{\circ}-26'-38''$ East, a distance of 121.73 feet; thence North $86^{\circ}-12'-49''$ East, a distance of 169.66 feet to the Southwesterly right-of-way line of Washington Street; thence North $45^{\circ}-54'-10''$ East along said Southwesterly right-of-way line, a distance of 68.37 feet to the place of beginning containing 0.38 acres more or less.

IDFA Brownfield Loan

Attachment "B"



IDFA Brownfield Loan

Attachment "C"

November 13, 2000

Mr. David Tarnowski
Robert Bosch Corporation
401 N. Bendix Drive
South Bend, IN 46628

Re: South Bend, IN Abatement & Demolition
Cost Estimates

Dear David:

O'Brien & Gere Engineers, Inc. (O'Brien & Gere) is pleased to present the following preliminary cost estimate for abatement and demolition activities at the South Bend, Indiana complex.

Abatement services

Environmental assessment: \$55,000

Asbestos - \$900,000 (assumed union labor will be used for the removal of transite and up to 25,000-ft of pipe wrap)

Lead paint - \$120,000 (based on three crews working four-weeks)

Decontamination of surfaces - \$250,000 (Buildings 103 and 104 only)

Misc. items removal and disposal (inc. CFC equipment, battery, etc.) - \$200,000

Oversight and air monitoring/closure sampling (based on four months on-site services total) - \$100,000.

Total: \$1,625,000

Factors that may affect this cost include quantity of lead based paint, duration of abatement activities (assumed to be four months total), and quantity of asbestos in Buildings 100 and 101.

Demolition Services

Estimate based on 150,000 ft² of demolition to slab, and minimal material recycling / reuse.

Utilities design and bidding - \$150,000

Demolition contractor - \$4,250,000

Oversight (assumed 4 months on-site) - \$175,000

Total: \$4,575,000

Factors that may affect this estimate include amount of material that will be reused / recycled by the contractor, duration of demolition activities.

IDFA Brownfield Loan

Attachment "D"



INVESTING IN SOUTH BEND

THE CITY OF SOUTH BEND, INDIANA

1999 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING DECEMBER 31, 1999



THE MORRIS PERFORMING ARTS CENTER

Land for what is now known as The Morris Performing Arts Center was purchased in 1921 for \$100,000. The architect was J.S. Aroner of Chicago, Marshall Fields of Chicago provided the interior decor. Originally called the Palace Theatre, construction was completed in 15 months - in September of 1922.

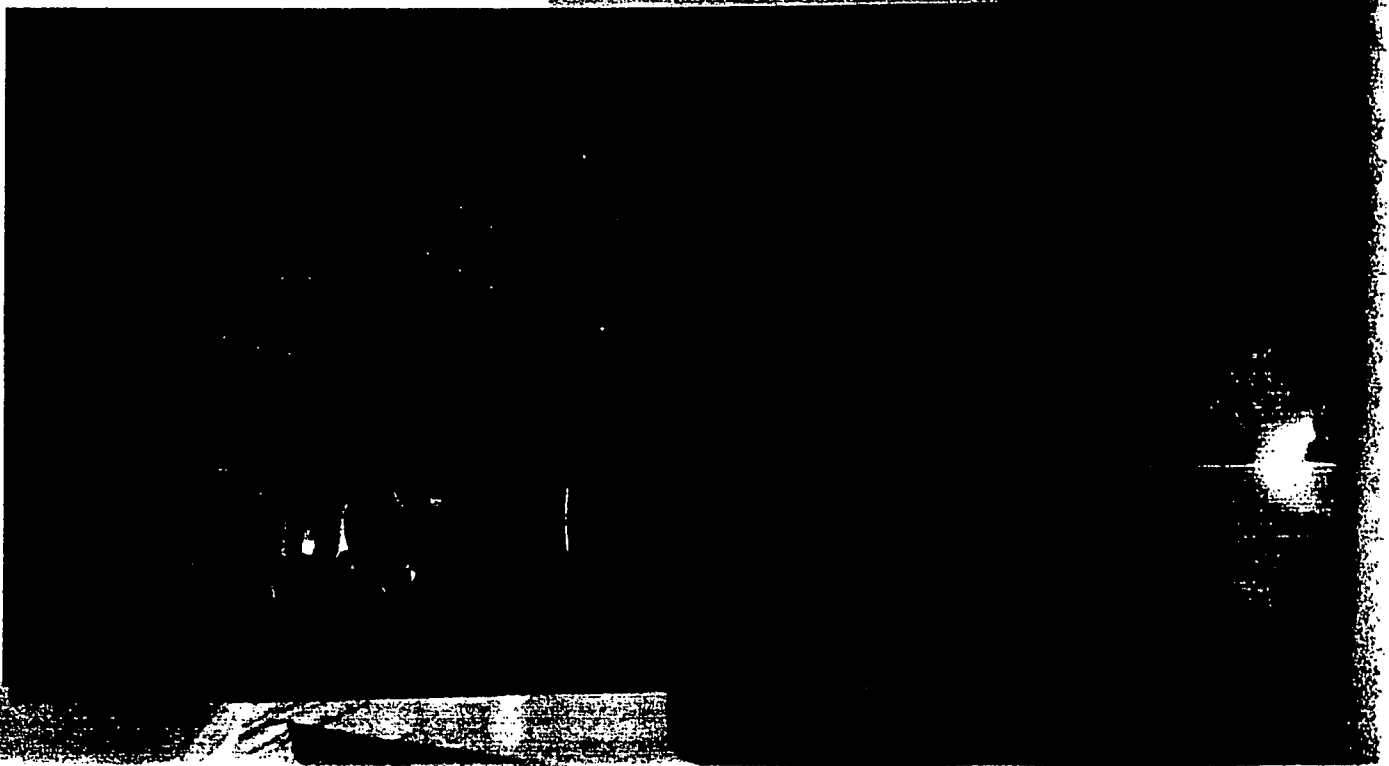
In its early days, patrons of the facilities not only enjoyed a magnificent ballroom and a theater that boasted the largest stage in the state, but also available were uncommon luxuries such as a supervised nursery, a sitting room for women complete with an attendant, and a smoking room in which men could retire. The floor plan was designed for best viewership. For patrons seated in the upper level, alcoves were planned along the way so they could rest while traveling to their seats. The theater, when built, contained a state of the art lighting system which could be controlled by the orchestra leader depending on the illumination demanded by the piece being played.

The theater was originally designed for vaudeville shows, photoplays (movies), and musical performances. In the 1920's the theater was filled for silent movies and vaudeville. Cheap seats were 10 cents each. In 1929, the Palace presented its first picture with sound: "Leatherneck," starring William Boyd as Hop-Along Cassidy.

With the advent of television, theaters across the country began to experience low attendance records, and the Palace Theatre was no exception. The theater had been well attended until patrons began to stay at home to catch the entertainment from the comfort of their own living rooms.

In August of 1959, the Palace Theatre board voted to demolish the building. The fixtures were auctioned off that same month. Mrs. E. M. Morris felt that the theater played an important role in the cultural and community life of South Bend. She offered to buy the Palace and save it from demolition that September. She then sold the theater to the city for \$1.00. In October of that same year, the theater was renamed "The Morris Civic Auditorium" in her honor.

Throughout the years, the theater's stage has seen a variety of acts and guest artists including Amos and Andy, Houdini, Jerry Louis, Debbie Reynolds, Julie Harris, David Copperfield, B.B. King, Mitzi Gaynor and Imogene Coca. Van Cliburn, John Browning, and many more. Frank Sinatra even played the Palace Theatre during its golden years. Two movies have had their world premier screenings at the theater: Knute Rockne: All American in 1991 and Rudy in 1993. Knute Rockne: All American brought 2400 people inside the Palace Theatre, and 24,000 outside to see the stars. Some of the stars present that evening included: Ronald Reagan, Pat O'Brien, Jane Wyman, John Smith, Bob Hope, and Rudy Vallee.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

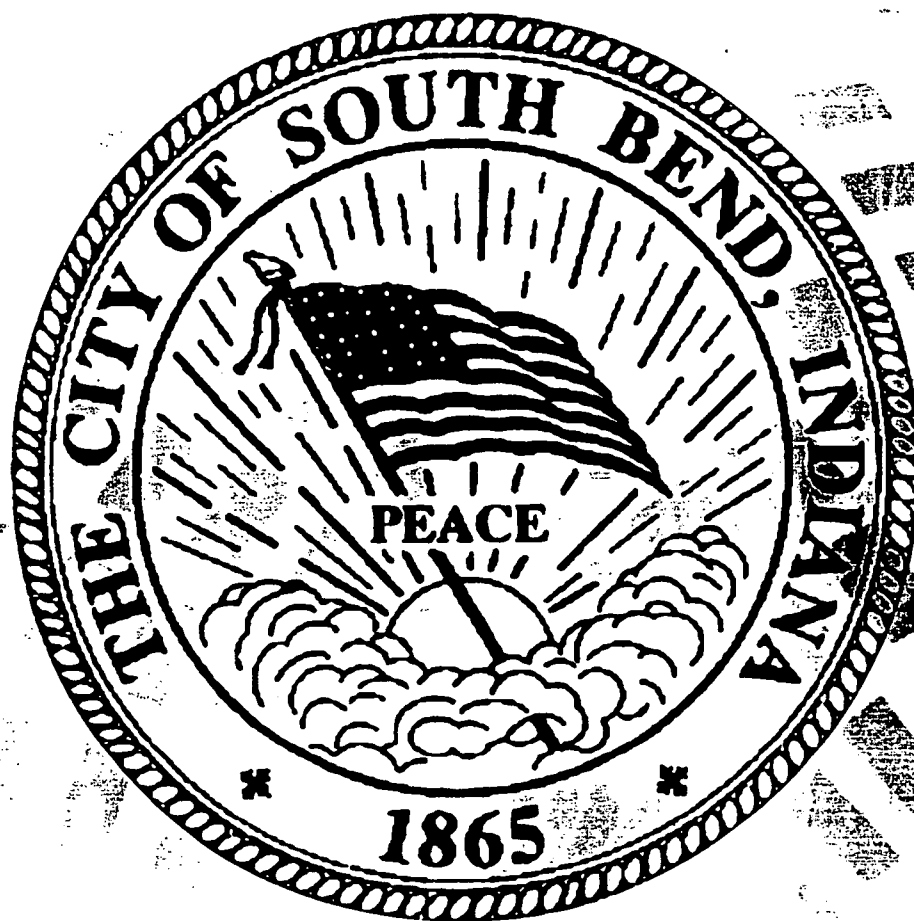
CITY OF SOUTH BEND, INDIANA

For the Year Ended December 31, 1999

Prepared By:

Department of Administration and Finance

M. Catherine Roemer, City Controller



MAYOR, COUNCIL & CLERK

The Common Council consists of nine elected members. Six members represent individual districts, and three members are elected at-large. The Common Council meets formally twice a month to conduct its business. Their duties include the enactment of all local ordinances for the City and the appropriation of all City funds.

The Clerk's Office is the custodian of all City ordinances and minutes of all Council meetings as well as the City seal. Additionally, the Clerk is responsible for ordinance violations that are \$50 and under including all parking tickets and curfew violations.

The Mayor is elected to a four-year term and serves as the full-time chief executive of the City. His responsibilities include the administration of all City Departments and he has veto power over legislative action by the Common Council.

CITY OF SOUTH BEND, INDIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Mr. Stephen J. Luecke	01-03-97 to 12-31-03
City Controller	Ms. M. Catherine Roemer	01-03-97 to 12-31-03
City Clerk	Mrs. Loretta Duda	01-01-96 to 12-31-03
County Treasurer (Ex Officio City Treasurer)	Mr. Thomas Zakrzewski	01-01-97 to 12-31-00
President of the Board of Public Works	Mr. James Caldwell Ms. M. Catherine Roemer	01-01-99 to 12-31-99 01-01-00 to 12-31-00
 Common Council Members		
1 st District	Mr. James Aranowski	01-03-97 to 12-31-03
2 nd District	Ms. Charlotte Pfeifer	01-01-96 to 12-31-03
3 rd District	Mr. Roland Kelly	01-01-96 to 12-31-03
4 th District	Mr. Karl King	11-18-98 to 12-31-03
5 th District	Mr. David Varner	01-01-96 to 12-31-03
6 th District	Mr. Andrew Ujdak	12-30-96 to 12-31-03
At Large	Mr. Sean Coleman	01-01-96 to 12-31-03
At Large	Mr. John Hosinski	01-01-96 to 12-31-99
At Large	Mr. Rod Sniadecki	12-20-96 to 12-31-99
At Large	Ms. Karen L. White	01-01-00 to 12-31-03
At Large	Mr. Al (Buddy) Kirsits	01-01-00 to 12-31-03

COUNTY-CITY BUILDING
SOUTH BEND, INDIANA 46601-1830



PHONE 219/235-5887
FAX 219/235-9892
TDD 219/235-5567

CITY OF SOUTH BEND STEPHEN J. LUECKE, MAYOR
DEPARTMENT OF ADMINISTRATION AND FINANCE
M. CATHERINE ROEMER
CITY CONTROLLER

May 25, 2000

To the Honorable Mayor Stephen J. Luecke,
Members of the City Council, and
the 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, 1999, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory information, financial information, statistical information and federal awards supplemental 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, 1998. The **financial section** begins with the independent auditors' report on the City's financial statements and schedules and is followed by the City's general-purpose financial statements and accompanying footnotes. The remaining portion of this section includes the combining and individual fund and account group 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. This document ends with the **federal awards** section, which includes the results of the supplemental audit of the City's federal awards and the internal controls necessary for compliance.

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 this document.

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 fifth largest city in the state. Its 1990 U.S. Bureau of the Census population of 105,511 classifies it as a "City of the Second Class" under Indiana statutes (cities with a population of 35,000 to 250,000). It operates with a mayor as chief executive and a nine-member City Council composed of six members elected from districts and three members 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 Council or City Board of Public Works exercises oversight over the South Bend Water Works, the South Bend Wastewater Treatment Facility, the Century Center, the College Football Hall of Fame, the Studebaker Collection, the South Bend Redevelopment 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 agricultural, service, manufacturing, 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, a regional airport (which is the second busiest in the state of Indiana), the South Shore rail line and a port on Lake Michigan, 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 St. Joseph County.

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

St. Joseph County, with its estimated present population of 258,100, boasts a strong history of manufacturing, which continues today. As a complement to that, the service industry and retail trade has also flourished, creating a balance that serves the community well. The County has experienced modest growth in population (5.6% increase) between 1969 and 1999. 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 4.5% between 1990 and 1999. The last fifteen years averaged approximately 0.64% increase in population per year for the County, which slightly exceeded the state wide average (0.57%) but still fell short of the national growth rate of almost 1% per year.

The labor force of approximately 133,000 people in St. Joseph County is typical of the Midwest: well trained with a strong work ethic. Approximately 25% of the area's adult population are college graduates (or higher) and an additional 20% more have some level of college experience. Only 9% of the adult population have not obtained a high school diploma. There are ten colleges, universities and technical schools within South Bend and the surrounding area; and at the high school level, there are school-to-work transition programs that help prepare students for the world of work. The employment trend in the County shows an average annual increase of 1.5% per year between 1990 and 1999 as compared to the national average per year of 1.4% for the same period. South Bend is currently experiencing an average unemployment rate of around 2.8%.

The 1999 employment profile for St. Joseph County provides a good overview of the economic make-up of this community. Employment statistics for the County's major economic sectors (covering 6,484 business establishments), as well as growth since the last major recession of 1990-1991, are as follows:

<u>Economic Sector</u>	<u>Number Employed</u>	<u>% of Total</u>	<u>Change since 1991</u>
Construction	6,900	5.4%	1.77%
Manufacturing	22,080	17.2%	0.96%
Transportation, Communication & Public Utilities	5,240	4.1%	0.06%
Wholesale Trade	8,150	6.4%	1.95%
Retail Trade	25,170	19.6%	1.48%
Finance, Insurance & Real Estate	7,040	5.5%	0.91%
Agricultural Services & Other Services	41,563	32.4%	3.25%
Governmental (excluding Federal)	12,109	9.4%	2.21%

St. Joseph County presently has an estimated 98,500 households with per household income as follows: 12% with household incomes that exceed \$75,000; 18% with incomes \$50,000 to \$75,000; 25% with incomes \$35,000 to \$49,999; 18% with incomes \$25,000 to \$34,999; 15% with incomes \$15,000 to \$24,999; and the remaining 12% with household incomes under \$15,000 per year. The median household effective buying income (disposable income after taxes) in the County in 1998 was \$34,203, which equated to more than \$4.22 billion in effective

buying income for this area.

Health and education lead the employment statistics for St. Joseph County. The largest employers in the County as of February 2000 were as follows: University of Notre Dame (4,297); South Bend Community School Corporation (3,400); Holy Cross Health System (3,230); Memorial Health Systems (3,200); Honeywell (1,830); St. Joseph County Government (1,631); Indiana University of South Bend (1,481); the City of South Bend (1,290); Penn Harris Madison School Corporation (1,215); Ancilla Health Care (980); First Source Bank (950); and AM General Corporation (946).

The following provides a profile of the adult population residing in St. Joseph County:

Gender:	47% male; 53% female
Age:	15% 18-24 years of age; 20% 25-24 years of age; 21% 35-44 years of age; 14% 45-54 years of age; 11% 55-64 years of age; and 19% 65 years or older
Race:	87% White; 8% Black; 2% Asian/Pacific; 2% Hispanic; and 1% Other
Marital Status:	59% married; 18% Widowed/Divorced/Separated; and 23% Single
Home Ownership:	78% own; 22% rent
Type of Dwelling:	84% single unit; 16% other

The housing costs in South Bend are well below the national and regional averages. At the end of 1999, the medium home price (per the National and Indiana Association of Realtors) for the nation and the midwest were \$121,800 and \$107,000, respectively, compared to South Bend's median price of only \$86,700. For the same period, Chicago's median price was \$171,200 and Indianapolis stood at \$110,900. South Bend's cost of living index for the third quarter of 1999 was 92.3, which was 7.7% below the nationwide average. A further breakdown of South Bend's cost of living index for this period was as follows: grocery items - 86.6; housing costs - 88.9; utilities - 105.8; transportation - 93.0; health care - 98.9; and miscellaneous goods and services - 93.5.

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.

The South Bend Community School Corporation serves all of the City and some of the surrounding area and has a current enrollment of approximately 21,000 students in grades kindergarten through high school. An estimated 4,800 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 25,400. Over the years, the University of Notre Dame has provided a stabilizing influence on the economy with a very significant economic impact upon the community.

South Bend has continued to progress in its growth since 1842, when Father Edward Sorin

named his rustic log chapel "Notre Dame du Lac" and began to teach the local Indians. Today, the chapel has grown into the University of Notre Dame. In 1852, H.C. Studebaker started the industry of making wagons and horse drawn buggies that evolved into the manufacturing of the Studebaker automobile. It made the name Studebaker synonymous with the area of South Bend.

Another industrial firm that would later become the area's largest began in 1923 when Vincent Bendix began manufacturing automotive brakes. In 1929, the company became the Bendix Aviation Corporation, and now, as Honeywell (formerly AlliedSignal Inc.), is a leading manufacturer of automotive and aerospace products.

Other special attractions within the South Bend area include Blackthorn Golf Course, which in 1995 was rated the 4th best new public golf course in the United States by Golf Digest Magazine; the Olympic-class East Race Waterway and the East Bank area; the newly renovated Morris Performing Arts Center, which provides for the Broadway Theater League, the South Bend Symphony Orchestra and the Chamber and Pops Orchestras; the Studebaker National Museum; the South Bend Regional Museum of Art; the Snite Museum of Art at Notre Dame; the Northern Indiana Historical Museum; Copshaholm Historic House Museum; the College Football Hall of Fame; Century Center; Potawatomi Zoo; the Morris Conservatory; the Belleville Softball Complex, which was rated the best new park facility of the year in 1997 by the Indiana Park and Recreation Association; and the annual City of South Bend Ethnic Festival. The Coveleski Regional Baseball Stadium, a 5,000-seat facility which opened in 1987, is rated among the best in minor league baseball. It had record crowds during its seasons of play with the South Bend Silver Hawks, a minor league team of the Chicago White Sox up to the 1997 season. During 1997, the City signed on with the Arizona Diamondbacks and looks forward to continued success with its program.

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

Financial, Budgetary and Property Tax Controls

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

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

audit for the year ended December 31, 1999 disclosed no instances of significant material weaknesses in the internal control structure and no significant violations of applicable laws and regulations. For the last ten years (years ended December 31, 1990 through 1999) the City has received an unqualified audit opinion.

Budgetary Controls. In accordance with Indiana statutes, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget (prepared on a cash basis) which is adopted by the City Council and then reviewed and approved by the Indiana State Board of Tax Commissioners. Activities of the general fund, certain special revenue and capital projects funds and the 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 City Council may transfer appropriations from one major budget classification to another within a department by ordinance as long as the total appropriations for that department are not exceeded. Transfers from one department to another, or additional appropriations in excess of the original budget, must be submitted to and approved by the State Board of Tax Commissioners after these appropriations have been approved by the City Council.

The City also 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 subsequent 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 taxes that may be levied by each unit of government in its legally budgeted funds. Indiana law prescribes a maximum property tax levy, which is calculated as a 5% increase over the previous year's maximum levy. However, if a local government has experienced growth in assessed valuation in excess of 5%, the municipality may use a percentage equal to that growth, up to a maximum of 10%. Growth is calculated as the average growth in assessed valuation over the last three years, not counting a year of reassessment. In addition, if the governmental unit finds that it cannot maintain basic governmental services for its residents within the property tax "freeze," it may appeal to the State Local Government Tax Control Board for an "excess levy" in certain specific instances. As a part of the property tax control program, the state transfers an amount generally equal to 20% of the total property tax levy (except for debt service levies as described below) to the County Auditor to be distributed to each taxing unit as a replacement for 20% of the property taxes levied. This "property tax replacement" is funded through the state sales tax.

The levy for Debt Service funds is controlled via a review and approval process by the State Local Government Tax Control Board (with a subsequent review and approval by the State Board of Tax Commissioners) for each issuance of general obligation indebtedness (or lease-purchase) entered into by a taxing unit. In addition, all indebtedness incurred after 1983 no longer receives the 20% state property tax replacement funds mentioned above.

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

Major Financial Accomplishments for 1999

We are pleased to announce that we have **underspent** the 1999 General Fund Expenditure Budget by **\$2,859,194** while General Fund Revenue has **exceeded** the 1999 Budget by **\$2,283,083**. This good news is a direct result of the hard work and never-ending focus on expense control by the City's department heads, managers and employees. The additional revenue is a result of increased collections for services provided (mainly the Emergency Medical Service user fees) and improved cash management procedures, resulting in almost doubling the budgeted income received on investments. This net **\$5,142,277** excess over budget will provide additional funds for the City's 2000 Capital Budget as well as increased cash reserves.

The 1999 results are a continuation of past successes. Last year the City was able to announce that it had underspent the 1998 General Fund Expenditure Budget by \$2,627,489 while General Fund Revenue exceeded the 1998 Budget by \$1,784,786. In 1997, the General Fund Budget was underspent by \$2,878,811, and revenues came in at \$875,056 more than originally anticipated. This provides evidence that the City's budgets have been prepared on a conservative basis, and they have provided adequate resources to fund services provided. All cities have limited resources and, thus, a limited number of programs and services that can be provided. We are proud to say that we have done well in terms of maintaining a solid, financially sound organization by spending within our means.

The City of South Bend's overall financial stability continues to remain very strong. During October 1999, the City's "AA" credit rating from Standard & Poor's (S&P) was reaffirmed. This was accomplished as a part of S&P's ongoing debt rating program, which includes the review of the City's latest annual financial report and other relevant data related to and impacting the City's debt level. The City continues to maintain adequate cash reserves not only in its General Fund (which exceeded 18% of the current year's operating expenditure budget as of the start of this year) but also in its Special Revenue and Enterprise Funds that include operational activities. It is the City's goal to maintain cash reserves of **at least 15%** of operating expenditures for each of these operating funds. Over the past three years, the City has been able to more than double its \$8.7 million General Fund cash reserves, which stood at \$4.2 million (11%) at the start of 1997.

The City's 1999 and 2000 Performance Based Budget Books were **significantly** enhanced over the past two years in a variety of ways. The most important (and time consuming!) improvement accomplished was the creation and inclusion of the City's Program Logic Models. During late 1998/early 1999, all department heads and key staff members embarked upon intensive training aimed at developing skills to better measure performance outcomes through development of program logic models. This training was primarily aimed at enhancing the City's Performance Based Budget process while providing a tool to help programs improve services. The logic model concept includes the identification of desired program outcomes (representing departmental goals and objectives) and performance indicators that attempt to measure the

success of our programs. This process will help City employees determine whether or not the resources they expend actually produce the benefits desired for its customers.

Although this is an ongoing process, we believe our efforts during the past two years have allowed us to take a giant step forward in improving accountability and helping us determine if the City's programs really make a difference in the lives of the people that live and work in this community. The process of completing these logic models provided departments with the opportunity to reassess their long-term objectives specifically as they relate to the City's overall goals. It also served to strengthen our resolve to become a model city. The City submitted its 2000 Performance Based Budget earlier this year to the Government Finance Officers Association of the United States and Canada (GFOA) for its consideration for the "Distinguished Budget Presentation Award Program." The City was presented with this prestigious award for the fourth year in a row during January 2000 for its 1999 Performance Based Budget document.

The Administration and Finance Department, along with all other department fiscal staff, continues to strive for overall improvement in providing meaningful and timely financial information to City Management, Common Council and the Public. Some significant enhancements included revenue and expenditure forecasting on a multi-year basis and the identification of the ongoing projected operational impact resulting from the City's future anticipated capital expenditures. The City's operating and capital budget process has continued to be enhanced in terms of both quality and efficiency in order to provide the City's Common Council with the necessary information needed to make decisions regarding the City's financial future.

Citywide Goals and Objectives for 1999 and Beyond

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

GOAL: The Community's Economy

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

GOAL: The Community's Public Safety and Civility

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

GOAL: The Community's Quality of Life

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

GOAL: Trust in City Government

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

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

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

GOAL: The City's Infrastructure

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

GOAL: The City's Financial Condition

Improve the financial condition of City government to ensure that South Bend has the financial resources necessary to achieve all its goals for the next five years.

GOAL: The City's Workforce

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

City Mission Statement and Department Purpose Statements

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

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

- Common Council:** Making certain that our City government is always responsive to the needs of our residents and that the betterment of South Bend is always our highest priority.
- City Clerk's Office:** Preserving all City Ordinances and Council meeting minutes for generations yet to be, and providing fair and consistent treatment of our Ordinance Violations Bureau customers.
- Administration and Finance:** Providing financial and organizational stability for the City through sound financial 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 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.
- Park 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 and Economic Development:** 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 facility with excellent services to customers while generating maximum economic benefit to our community.

Building South Bend in 2000 and Beyond

Mayor Stephen Luecke's theme for the past two years has been "We're Building South Bend." That theme has had a major influence on the development of the 2000 budget. There were five areas of concentration that became or remained budget priorities for 2000.

- ***We're Building Neighborhoods*** - Mayor Luecke and the City's elected officials continued their strong commitment to neighborhoods by proposing and approving \$8 million in neighborhood programs in 2000, which will be funded through a combination of city, state and federal dollars. The City will invest \$3 million in housing assistance, development and home ownership programs; \$3 million in neighborhood public works and parks; \$1.5 million in support for neighborhood social services and organizations; and more than \$500,000 in public safety, planning and the Building Blocks Grant Program. 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 declined in several significant categories over the past few years. The City's Fire Department is rated one of the highest in the State. We have recently added new equipment and built a new fire station in 1999. The Mayor's top initiatives will focus on the prosecution of gang/drug leaders, seizure of drug houses, implementation of the U.S. Attorney's program to reduce guns on the street, resolution of nuisance issues and assistance to residents in setting standards of behavior for their neighborhoods.
- ***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 new Building Block Grant Program helps residents spruce up their neighborhoods, and aggressive Code Enforcement will continue to address deteriorated and nuisance properties. This year's budget for street paving materials is 50% greater than two years ago and a comprehensive alley stabilization program will continue for the second year this spring. The City has initiated special projects, such as expanding the City's river walk system, starting the Neighborhood Blitz Clean-ups and creating a new tree crew assigned specifically to maintain our tree lawns.
- ***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 that will create new strategies for enhancing our formal education system. The Mayor's Task Force on After-School Programs has been

instrumental in developing enrichment activities for all our children in a safe, supportive setting. The Mayor and the Common Council have committed \$150,000 as seed money for this effort for the second year in a row. 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. The new Existing Business First program will prioritize the needs of South Bend businesses - the City's economic backbone. Efforts have been and will continue to focus on implementing the comprehensive plans for downtown, the East Bank and three key commercial corridors. The City's administration will vigorously pursue the re-use and revitalization of older industrial sites, as well as the expansion of the Blackthorn area.

Financial Information

General Government Revenues. The following schedule presents a summary of General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds revenues for the fiscal year ended December 31, 1999 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase / (Decrease) from 1998</u>	<u>Percent of Increase / (Decrease)</u>
Taxes:				
General Property	\$ 48,943,646	54.3%	\$ 776,124	1.6%
Auto Excise	3,517,430	3.9%	(493,737)	-12.3%
EDIT	3,156,441	3.5%	285,144	9.9%
COIT	1,717,303	1.9%	977,068	132.0%
Financial Institutions	109,813	0.1%	1,035	1.0%
Licenses and Permits	188,405	0.2%	4,484	2.4%
Intergovernmental	15,271,114	17.0%	2,312,103	17.8%
Charges for Services	10,448,053	11.6%	682,021	7.0%
Fines and Forfeitures	311,897	0.4%	95,941	44.4%
Interest	3,030,611	3.4%	(50,236)	-1.6%
Donations	1,747,769	1.9%	74,529	4.5%
Miscellaneous	1,617,340	1.8%	(31,475)	-1.9%
	<u>\$ 90,059,822</u>	<u>100.0%</u>	<u>\$ 4,633,001</u>	<u>5.4%</u>

As shown above, taxes continue to represent a significant source of revenue needed to support the services provided by the City. The City's single largest source of revenue is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first variable is the assessed property valuation of industrial, commercial and residential parcels, 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 33 1/3% of the true tax value. As described earlier, the City has the ability to increase its general property tax levy by 5%, which it elected to do in 1999. The above general property tax revenue includes taxes collected on behalf of the following funds: General Fund, Park and Recreation Fund and the Cumulative Capital Development Fund (totaling \$42,301,658, which represented the anticipated increase of 4.6% from 1998); various capital funds for the City's Redevelopment Tax Incremental Financing (TIF) Funds (totaling \$6,154,051, which decreased by 10.7% from 1998); and a special levy to cover debt service on a general obligation bond (\$487,937, which decreased 36.8% from 1998 reflecting the bond's debt schedule). The decrease in property taxes collected on behalf of the TIF funds was a direct result of a significant decrease in net assessed value in the Sample/Ewing TIF.

During 1998, the City experienced a "catch up" period for auto excise tax collections that had resulted from a multi-year delay in receiving these taxes from the State of Indiana. This one-time catch up period covered approximately six months of prior years' collections. There was no comparable "catch up" period in 1999.

One of the major focuses for the City continues to be the need to diversify its revenue streams. This is necessary to reduce the dependancy on general property taxes and to ensure that a broad-base of users, including nonresidents, share in the funding of basic city services. Currently the City's property taxpayers carry a disproportionate share of the cost of public safety (police & fire services) and general government functions (elected officials, Legal Department and Administration and Finance Department). Approximately 75% of the General Fund's 1999 total revenue was derived from property taxes. The public safety and general government functions constituted almost 86% of the General Fund's 1999 total expenditures. South Bend, like many other cities, has public safety at the top of its priority list. In order to shift part of the financial burden for these services away from the City's homeowners/property owners, new sources of revenue need to be identified. In an attempt to accomplish this, two new taxes have been enacted since 1995 that have begun to shift this financial tax burden.

- Economic Development Income Tax (EDIT) - This tax was first enacted as of July 1, 1995 at the rate of one tenth of one percent (0.1%) of City residents' (and some nonresidents') adjusted gross income, which generated \$1,382,670 and \$1,466,0296 for the City of South Bend in 1996 and 1997, respectively. The City's Common Council and the St. Joseph County Council passed respective ordinances that increased the rate to two tenths of one percent (0.2%), which effectively doubled the City's distribution beginning in 1998. The City received \$2,871,297 and \$3,156,441 of EDIT distributions in 1998 and 1999, respectively, and is anticipating the receipt of \$3.1 million from this tax in 2000. This rate will remain in effect at the current level unless further action is taken by the respective councils. The EDIT rate can legally be raised to four tenths of one percent (0.4%).

County Option Income Tax (COIT) - The City and County Councils enacted this tax effective July 1, 1997 at a rate of two tenths of one percent (0.2%) with an increase of one tenth of one percent (0.1%) per year during the next four years. This would take the rate to its legal limit of six tenths of one percent (0.6%) by the year 2002. The City would not have supported the new County Option Income Tax if it had not been accompanied by a tandem ordinance, which established an additional 6% homestead credit for property taxpayers. This additional homestead credit increased to 7% in 1999 and will increase to 8% in 2000 (where it will remain at this level). Thus, as a result of the passage of this new tax, City property taxpayers were provided relief through a reduction in their property tax bills while the City was provided with an additional source of revenue that will eventually slow the growth of future property tax rate increases. Although the rate was in effect in mid-1997, the City received its first COIT distribution of \$740,235 in 1998. The City is anticipating the receipt of \$2.1 million from this tax in 2000 with significant increases over the next several years as a result of the scheduled rate increases.

The change in Intergovernmental Revenue was mainly a result of a one-time receipt of \$2.5 million from the State of Indiana, which was deposited into the Local Road and Street Fund for the relinquishment of State Road 20 from the State to the City. Effective mid-1999, the City took over the responsibility of maintaining a specific stretch of road (formerly known as SR 20) that runs through the city limits. The lump sum received by the City will be used over the next several years for road improvements on this stretch of road more commonly known as Lincolnway West and McKinley Avenue. In addition to this one-time receipt, the City also receives various other state and federal grants, which in total were approximately \$200,000 less in 1999 than what had been received during 1998.

As mentioned earlier, the City is always looking for other sources of revenue that would reduce its reliance on property taxes. A viable source of revenue is from user fees and/or charges for services currently being performed. It is the City's desire to establish all user charges and fees at a level closely related to the full cost of providing the services while taking into consideration similar charges/fees being levied by other public and private providers. The City recalculates, on an annual basis, the full costs of activities supported by user fees (including the Parks Department programs and EMS ambulance services among others) to identify the impact of inflation and other cost increases. It then revises user fees accordingly. As a result, overall charges for services and user fee revenues are anticipated to increase in line with annual operating and capital budgets.

The remaining revenue categories (not specifically mentioned in the narrative above) increased a total of \$94,278 (1.4%) in 1999 when compared to 1998.

General Government Expenditures. The following schedule presents a summary of General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds expenditures for the fiscal year ended December 31, 1999 and the amount and percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase / (Decrease) from 1998</u>	<u>Percent of Increase / (Decrease)</u>
General Government	\$ 5,086,242	5.3%	\$ 2,971	0.1%
Public Safety	33,981,313	35.4%	2,455,086	7.8%
Highway and Streets	11,339,275	11.8%	1,398,199	14.1%
Health and Welfare	60,000	0.1%	0	0.0%
Culture and Recreation	10,049,811	10.5%	790,730	8.5%
Urban Redevelopment and Housing	6,330,843	6.6%	(978,386)	-13.4%
Capital Outlay	24,575,255	25.6%	3,420,618	16.2%
Debt Service	4,641,072	4.8%	520,390	12.6%
	<u>\$ 96,063,811</u>	<u>100.0%</u>	<u>\$ 7,609,608</u>	<u>8.6%</u>

The increase in Public Safety expenditures is partially a result of an increase in various equipment purchased plus the cost of financing all police officers' laptop computers and other technology enhancements that have been implemented for the Police and Fire Departments throughout 1998 and 1999. Expenditures for the Fire Department's Emergency Medical Services (EMS) have increased due to contractual ambulance services provided to various medical facilities located within the surrounding area of South Bend. These increased costs have been fully covered by increased revenue received from the medical centers for services provided. In addition, salary and benefit increases as a result of the Firefighters' Union and Fraternal Order of Police Union negotiations have had an impact on increases from the prior year.

The significant increase in the Highways and Streets expenditures is a direct result of specific projects funded using Local Road and Street Account (LRSA) state distributions during 1998 and 1999. In addition to the overall operating cost increases incurred for the Park Department, the Culture and Recreation expenditures also reflect an increase due to specific capital projects that were funded out of the Special Revenue funds during 1998. Urban Redevelopment and Housing expenditures decreased significantly as a result of a wide variety of programs funded by various state and federal sources during 1998.

Capital Outlay expenditures change from year to year based upon the specific projects that are funded in a given year. The most significant projects that were funded during the past two years included the following: the Downtown Leighton Plaza project, which includes a 640-space parking garage with 11,000 square feet of ground floor retail space with a total investment on behalf of the City of \$13.9 million (\$1.8 million was spent in 1997, \$7.2 million in 1998, \$2.3 million in 1999, with the remainder to be spent in 2000); and the Morris Performing Arts Center renovation totaling an estimated \$13.6 million. This project was started in 1998 and completed in early 2000. Total expenditures on this project included \$2.5 million spent in 1998, \$9.0 million spent in 1999 and a projected \$2.1 million in 2000. In addition to these two major projects, the City built a new fire station located on the south side of the City, which cost \$1.4 million.

The increase in Debt Service was due to increased principal and interest payments made on outstanding Redevelopment District Bonds. These bonds are more fully explained in the footnotes that accompany the financial statements found in the next section of this document.

Proprietary Operations. The City's proprietary operations comprise several separate and distinct activities accounted for in both Enterprise and Internal Service funds.

The Enterprise Fund operations include the following: the City's downtown parking garages, water utility services, wastewater utility services, solid waste services, the Century Center, the consolidated St. Joseph County/South Bend Building Department, Blackthorn Golf Course and the College Football Hall of Fame.

The Internal Service Fund operations include the City's self-funded liability insurance program, the City's self-funded employee benefits program, and Central Services (a department that accounts for the expenses related to fuel, vehicle repairs and various other services and supplies provided to City departments on a cost-reimbursement basis).

Fiduciary Funds. The City's fiduciary duties are accounted for in both Trust and Agency Funds. The primary trust funds are the Police and Fire Pension Funds (explained below). The Agency Fund is for payroll and related employee deductions.

Pension Trust Fund Operations. Most City employees are covered by the Public Employees Retirement Fund and the 1977 Police Officers' and Firefighters' Pension Fund, both 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 Pension Fund and the 1937 Firefighters' Pension Fund. These two funds are administered by the City. This group of police officers and firefighters will continue to decline in the future both as a total number and as a percentage of total payroll of both the police and fire departments and of the City as a whole.

The 1925 and 1937 Plans are funded through a combination of property taxes levied by the City and distributions from the State Pension Relief Fund. As a result of the requirements of the state statute that created these funds, the City is legally prevented from funding them in any other way than a "pay-as-you-go" basis. For December 31, 1999, the City received an actuarial survey on these funds to provide the proper disclosures required by generally accepted accounting principles. This information is included in the following section.

Debt Administration. At December 31, 1999, the City had a number of debt issues outstanding. These issues included \$3,620,000 of general obligation bonds, \$50,100,000 of revenue bonds payable from governmental funds, \$58,868,239 of revenue bonds payable from enterprise funds and \$2,383,664 of first mortgage bonds payable from governmental funds. Under the Indiana Constitution and state statute, the City's general obligation bonded debt issuances are subject to a legal limitation based upon 2% of total assessed value of real and personal property. Since Indiana's assessment statutes call for an assessed valuation of one-third of cost less depreciation, its general obligation debt limitation is one of the most conservative in the United States.

A detailed listing of this debt can be found in the Notes to the General Purpose Financial

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

Cash Management. In accordance with state statute, cash temporarily idle during the year is invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and repurchase agreements that are fully collateralized by U.S. Government or U.S. Government Agency obligations.

In addition to the insurance available to all depositors through the Federal government, all deposits of the City are covered by the Public Deposits Insurance Fund maintained by the State Board for Depositories. That fund, established in 1937, covers both principal and interest of all deposits and investments made by an Indiana governmental unit with approved public depositories in accordance with the Public Deposits and Investments Law.

Risk Management. The City has established two self-insurance funds: the Self-Funded Employee Benefits Fund and the Liability Insurance Premium Reserve Fund. As previously mentioned, these self-insurance funds are accounted for as Internal Service Funds. The purpose of the Self-Funded Employee Benefits Fund is to pay medical claims of City employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Medical claims exceeding \$75,000 per insured on an annual basis (\$100,000 in 2000) are covered through a private carrier. In addition to medical claims, the fund pays premiums for life insurance and long term disability benefits for employees. The Liability Insurance Premium Reserve Fund covers automobile and comprehensive liability as well as workers' compensation costs. The City's liability for self-insurance is limited to \$300,000 per person and \$5,000,000 in the aggregate per occurrence in accordance with Indiana Tort Law. The accrued liability for estimated insurance claims represents an estimate of the probable loss on unpaid claims arising prior to year end.

Other Information

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, 1998. This was the ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, 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.

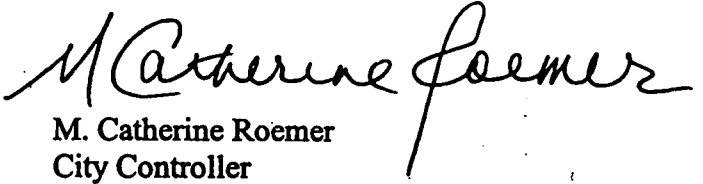
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the City's fiscal officers and the entire staff of the Department of Administration and Finance. Each member of the Department has my sincere

appreciation for the contributions made in the preparation of this report. In addition, I would like to thank the Field Examiners of the State Board of Accounts for their hard work and dedication in this effort.

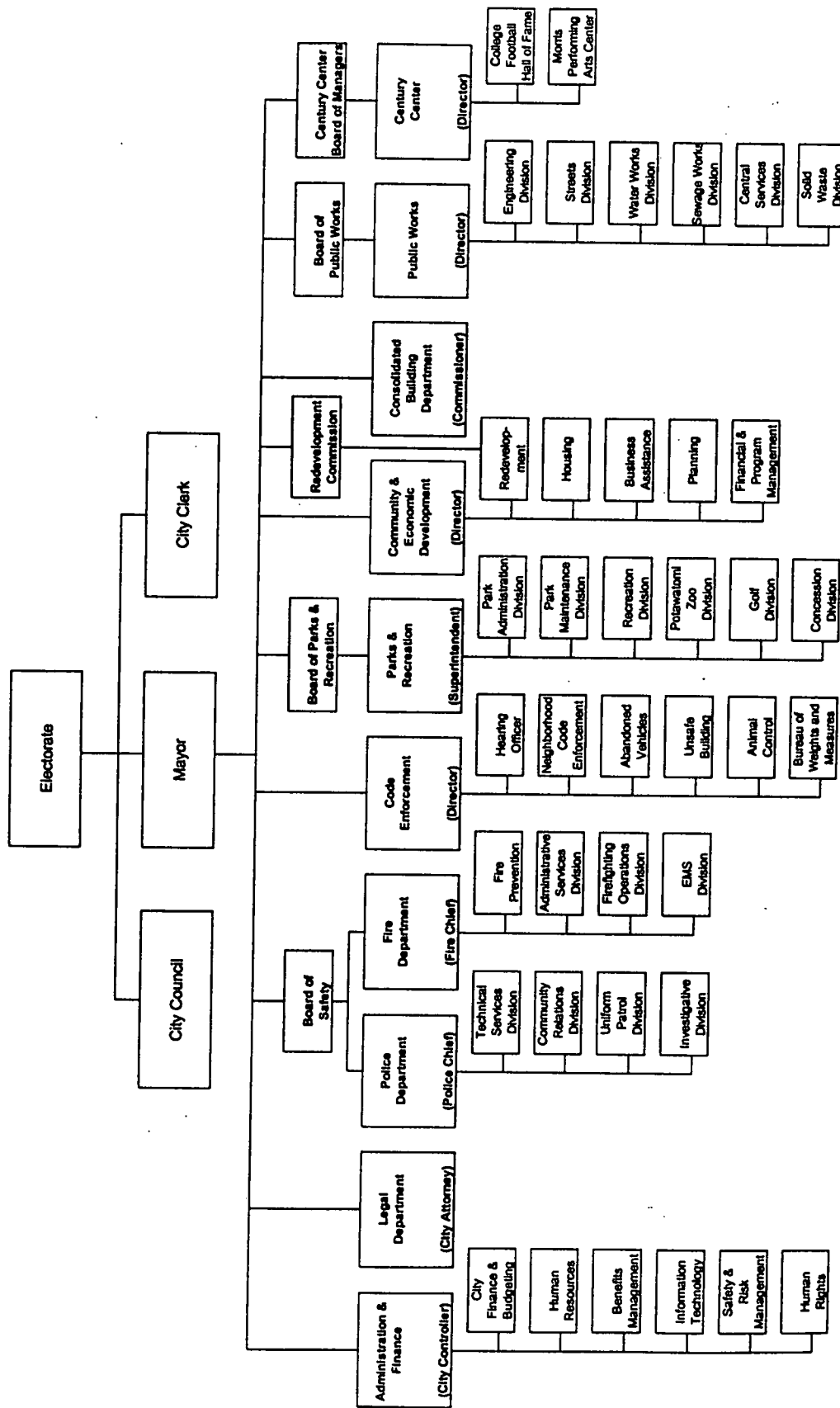
In closing, without the leadership and support of Mayor Stephen J. Luecke, the City's Department Heads, and the members of the City Council, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "M. Catherine Roemer". The signature is fluid and extends to the right.

M. Catherine Roemer
City Controller

CITY OF SOUTH BEND ORGANIZATIONAL CHART



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, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brueck
President

Jeffrey L. Esler
Executive Director

INVESTING IN COMMERCIAL CORRIDORS



In 1999, Mayor Steve Luecke, in concert with the South Bend Common Council established a new commercial corridor improvement initiative, the Commercial Corridor Improvement Program. During the first year, \$850,000 was allocated with plans for at least two additional years and total funding of \$1.9 million. The mission of the program is to clean up and revitalize blighted, high profile areas of the city.

This is the first time the City has coordinated an effort directly with the stakeholders of commercial corridor areas. Through creative, affirmative, and most important, citizen-driven steering committees in partnership with the City, we have developed a plan, identified the funding and are moving forward with implementation. The process has included formation of the steering committees, identification of issues and needs, and development of action plans for three commercial corridors. The corridors are Lincolnway West, Western Avenue, and South Gateway (South Michigan Street).

The Commercial Corridor Improvement Program is more than just a physical revitalization. Partnership efforts will include economic development, redevelopment, public safety, infrastructure, beautification, marketing, business retention, and neighborhood assistance strategies. Resources are being developed beyond local, public dollars. Private sector partners are being sought, as well as state and federal opportunities for funding.

Through a multi-pronged approach of development and revitalization, driven by a partnership of citizens, business and residents working together with the City, we can revitalize our corridors. They will then represent the best of our community to residents, to visitors, and to potential investors.



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INDEPENDENT AUDITORS' OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditors' Report

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

We have audited the accompanying general-purpose financial statements of the City of South Bend, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account groups of the City of South Bend as of December 31, 1999, and the results of its operations of such funds and the statement of cash flows of the proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of South Bend. This information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole. We did not audit the statistical data listed in the table of contents and, accordingly, we express no opinion on the statistical data.

INDEPENDENT AUDITORS' OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Independent Auditors' Report
(Continued)

In accordance with Government Auditing Standards, we have also issued our report dated April 24, 2000 on our consideration of the City of South Bend's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of South Bend taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

April 24, 2000



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the City of South Bend, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of South Bend's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of South Bend's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1 this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 24, 2000

INVESTING IN DOWNTOWN



Activity in downtown is thriving. Century Center continues its success not only as a bustling convention site, but also as a meeting place for our community. In addition to bringing seven new conventions to town last year with more than 3,000 visitors, Century Center hosted perhaps the largest annual convention ever by the Indiana Association of Cities and Towns, with more than 1,000 municipal officials attending. The new Leighton Plaza development anchors the center of town with new office space, Memorial Hospital's HealthPlex and a parking garage where new specialty stores are leasing retail space. The State Theater has reopened and supplements the entertainment venues offered by Club LaSalle, Heartland and others. The construction of a new office tower and parking garage by Memorial Hospital provides added growth on the north end of downtown. There is positive action on multiple fronts, from art in public places to "greening" the streetscapes, from new offices to additional specialty retail and entertainment venues.

CITY OF SOUTH BEND, INDIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1989

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service		Trust and Agency	General Fixed Assets		General Long-Term Debt
Assets and Other Debits											
Cash and Cash Equivalents	\$ 14,733,491	\$ 13,272,548	\$ 5,209,581	\$ 23,057,865	\$ 5,873,257	\$ 3,513,058	\$ 2,438,282	\$ -	\$ -	\$ 68,098,082	
Investments	-	-	2,184,357	-	-	-	-	-	-	2,184,357	
Receivables (Net of Allowances for Uncollectibles):											
Interest	81,928	23,730	14,583	44,593	28,919	6,422	182	-	-	200,357	
Taxes	3,104,138	531,770	42,915	781,887	-	-	185,804	-	-	4,828,514	
Accounts	289,115	146,288	-	431,128	1,720,911	9,103	-	-	-	2,598,555	
Intergovernmental	191,858	76,332	-	-	-	384	-	-	-	288,554	
Loans	-	8,780,538	-	150,000	-	-	-	-	-	8,930,538	
Other	-	-	-	-	10,311	-	-	-	-	10,311	
Due From Other Funds	41,861	13,950	-	-	417,527	387,950	-	-	-	861,088	
Interfund Receivables	2,881,242	-	-	35,090	-	-	-	-	-	2,716,332	
Materials and Supplies Inventory	-	68,858	-	-	394,035	712,495	-	-	-	1,175,388	
Prepaid Expenses	-	-	-	-	7,050	5,483	-	-	-	12,533	
Property Held for Resale	-	1,084,763	-	5,657,770	-	-	-	-	-	6,742,533	
Restricted Assets:											
Cash and Cash Equivalents	-	-	-	-	27,355,745	-	-	-	-	27,355,745	
Cash With Fiscal Agent	-	-	-	-	14,087	-	-	-	-	14,087	
Investments	-	-	-	-	2,115,800	-	-	-	-	2,115,800	
Interest Receivable	-	-	-	-	68,398	-	-	-	-	68,398	
Accounts Receivable (Net)	-	-	-	-	108,262	-	-	-	-	108,262	
Accounts Receivable - Other	-	-	-	-	228,523	-	-	-	-	228,523	
Due From Other Funds	-	-	-	-	44,855	-	-	-	-	44,855	
Advances to Other Funds	1,750,000	-	-	-	-	-	-	-	-	1,750,000	
Unamortized Bond Issue Cost	-	-	-	-	528,284	-	-	-	-	528,284	
Deferral on Loss of Bond Refunding	-	-	-	-	278,740	-	-	-	-	278,740	
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-	141,568,935	390,929	-	92,654,699	-	234,614,563	
Other Debits:											
Amount Available In	-	-	-	-	-	-	-	-	7,404,861	7,404,861	
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	
Amount to be Provided for:											
Retirement of General	-	-	-	-	-	-	-	-	-	-	
Long-Term Debt	-	-	-	-	-	-	-	-	61,189,447	61,189,447	
Net Pension Obligations	-	-	-	-	-	-	-	-	21,630,800	21,630,800	
Total Assets and Other Debits	\$ 22,873,433	\$ 23,998,787	\$ 7,481,436	\$ 30,138,333	\$ 180,759,439	\$ 5,025,804	\$ 2,624,288	\$ 92,654,699	\$ 90,225,108	\$ 455,761,307	

The accompanying notes are an integral part of the financial statements.

Continued on Next Page

CITY OF SOUTH BEND, INDIANA COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1989

(Continued)

Liabilities, Equity and Other Credits	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		
Liabilities:											
Accounts Payable	\$ 1,892,516	\$ 284,848	\$ -	\$ 165,981	\$ 454,828	\$ 242,112	\$ 229	\$ -	\$ -	\$ -	\$ 2,840,314
Payroll Payable	1,045,390	318,287	-	-	367,346	67,135	508	-	-	-	1,798,668
Compensated Absences Payable	-	-	-	-	480,832	83,377	-	-	2,682,788	-	3,226,997
Payroll Withholdings Payable	-	-	-	-	-	-	727,787	-	-	-	727,787
Contracts Payable	-	274,167	-	1,813,803	-	-	-	-	-	-	2,087,770
Due to Other Funds	419,293	68,178	-	-	372,774	1,946	-	-	-	-	882,192
Taxes Payable	-	2,128	-	-	33,644	-	-	-	-	-	35,772
Interfund Payable	9,650	11,780	13,680	-	1,721,320	959,922	-	-	-	-	2,716,332
Other Payables	14,000	54,781	-	152,256	80,175	-	-	-	-	-	301,212
Deferred Revenue	3,104,138	531,770	42,915	761,887	109,375	-	185,804	-	-	-	4,735,889
Capital Lease Obligations - Current	-	-	-	-	427,482	1,551	-	-	-	-	428,033
Accrued Interest Payable	-	-	-	-	5,291	-	-	-	-	-	5,291
Notes Payable	-	-	-	-	23,000	-	-	-	-	-	23,000
Payable From Restricted Assets:											
Accounts Payable	-	-	-	-	751,349	-	-	-	-	-	751,349
Payroll Payable	-	-	-	-	1,427	-	-	-	-	-	1,427
Compensated Absences Payable	-	-	-	-	2,653	-	-	-	-	-	2,653
Due To Other Funds	-	-	-	-	43,551	-	-	-	-	-	43,551
Customer Deposits Payable	-	-	-	-	1,105,821	-	-	-	-	-	1,105,821
Capital Leases Payable	-	-	-	-	108,328	-	-	-	-	-	108,328
Accrued Interest Payable	-	-	-	-	172,501	-	-	-	-	-	172,501
Revenue Bonds Payable	-	-	-	-	730,000	-	-	-	-	-	730,000
Advances From Other Funds	-	-	-	-	1,750,000	-	-	-	-	-	1,750,000
Bonds Payable	-	-	-	-	-	-	-	58,103,684	-	-	58,103,684
Notes Payable	-	-	-	-	170,000	-	-	3,805,000	-	-	3,775,000
Revenue Bonds Payable	-	-	-	-	-	-	-	-	-	-	-
(Net of Discount)	-	-	-	-	57,870,325	-	-	-	-	-	57,870,325
Land Contract Payable	-	-	-	-	-	-	-	787,000	-	-	787,000
Capital Lease Payable	-	-	-	-	734,411	-	-	5,415,856	-	-	6,150,267
Unamortized Gain on Sale - Leaseback	-	-	-	-	42,575	-	-	-	-	-	42,575
Estimate of Unfilled Claims	-	-	-	-	-	533,147	-	-	-	-	533,147
Pension Liability	-	-	-	-	-	-	-	21,630,800	-	-	21,630,800
Total Liabilities	6,274,967	1,556,740	56,576	2,893,727	67,537,006	1,869,190	914,328	-	90,225,108	-	171,346,663
Equity and Other Credits:											
Contributed Capital	-	-	-	-	56,920,543	333,529	-	-	-	-	56,254,072
Investment in General Fixed Assets	-	-	-	-	-	-	-	92,654,699	-	-	92,654,699
Retained Earnings:											
Reserved	-	-	-	-	10,242,366	2,662,461	-	-	-	-	13,004,827
Unreserved	-	-	-	-	47,059,532	(49,368)	-	-	-	-	47,010,166
Fund Balances:											
Reserved	2,509,039	8,571,422	7,404,861	9,720,830	-	-	1,949,845	-	-	-	29,855,797
Unreserved:											
Undesignated	14,099,407	13,671,826	-	17,623,976	-	-	60,095	-	-	-	45,545,103
Total Equity and Other Credits	16,598,446	22,443,047	7,404,861	27,244,806	113,272,431	3,126,614	1,709,940	92,654,699	-	-	284,414,644
Total Liabilities, Equity and Other Credits	\$ 22,873,433	\$ 23,999,787	\$ 7,461,436	\$ 30,138,533	\$ 180,759,439	\$ 5,025,804	\$ 2,624,268	\$ 92,654,699	\$ 90,225,108	\$ -	\$ 455,761,307

The accompanying notes are an integral part of the financial statements

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For The Year Ended December 31, 1999

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
Revenues:						
Taxes	\$ 38,321,981	\$ 6,566,845	\$ 528,085	\$ 12,027,722	\$ -	\$ 57,444,633
Licenses and Permits	178,260	10,145	-	-	-	188,405
Intergovernmental	1,181,002	13,609,442	-	480,670	-	15,271,114
Charges for Services	5,491,158	3,736,753	-	1,220,142	-	10,448,053
Fines and Forfeits	235,590	76,307	-	-	-	311,897
Interest	1,337,145	684,153	226,329	782,984	2,002	3,032,613
Donations	-	217,388	-	1,530,381	-	1,747,769
Miscellaneous	543,218	391,943	69,330	612,849	-	1,617,340
Total Revenues	47,288,354	25,292,976	823,744	16,654,748	2,002	90,061,824
Expenditures:						
Current:						
General Government	4,997,790	87,344	-	-	1,108	5,086,242
Public Safety	32,674,317	1,306,996	-	-	-	33,981,313
Highways and Streets	5,655,363	5,683,912	-	-	-	11,339,275
Health and Welfare	60,000	-	-	-	-	60,000
Culture and Recreation	511,421	9,538,390	-	-	-	10,049,811
Urban Redevelopment and Housing	200,402	6,130,441	-	-	-	6,330,843
Capital Outlay	-	-	-	24,575,255	-	24,575,255
Debt Service:						
Principal Retirement	-	-	2,185,194	-	-	2,185,194
Interest and Fiscal Charges	-	-	2,455,878	-	-	2,455,878
Total Expenditures	44,099,293	22,747,083	4,641,072	24,575,255	1,108	96,063,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,189,061	2,545,893	(3,817,328)	(7,920,507)	894	(6,001,987)
Other Financing Sources (Uses):						
Operating Transfers In	250,000	641,378	3,674,797	1,854,923	-	6,421,098
Operating Transfers Out	(378,930)	(100,000)	(428,129)	(5,631,279)	-	(6,538,338)
Bond Issue Proceeds	-	-	-	2,448,858	-	2,448,858
Loan Proceeds	-	2,388,413	-	-	-	2,388,413
Financing by Capital Leases	-	-	-	1,305,150	-	1,305,150
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	3,060,131	5,475,684	(570,660)	(7,942,855)	894	23,194
Fund Balances - January 1 (Restated)	13,538,315	16,967,363	7,975,521	35,187,461	59,201	73,727,861
Fund Balances - December 31	\$ 16,598,446	\$ 22,443,047	\$ 7,404,861	\$ 27,244,606	\$ 60,095	\$ 73,751,055

The accompanying notes are an integral part of the financial statements.

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) - GENERAL,
SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For The Year Ended December 31, 1999

	General Fund		Budgeted Special Revenue Funds		Budgeted Debt Service Funds	
	Amended Budget	Actual	Amended Budget	Actual	Amended Budget	Actual
			Variance Favorable (Unfavorable)		Variance Favorable (Unfavorable)	
Revenues:						
Taxes	\$ 38,437,000	\$ 38,321,981	\$ (115,019)	\$ 12,007,036	\$ 530,376	\$ 528,693
Licenses and Permits	130,858	178,264	47,406	-	-	-
Intergovernmental	2,357,831	2,353,232	(4,599)	4,184,216	-	-
Charges for Services	2,086,721	2,741,890	655,169	2,979,826	-	-
Fines and Forfeits	67,000	191,990	124,990	99,005	-	-
Interest	600,000	1,337,828	737,828	243,174	-	116,995
Donations	-	-	-	5,226	-	-
Miscellaneous	1,981,101	2,818,409	837,308	2,941,622	-	-
Total Revenues	45,660,511	47,943,594	2,283,083	22,460,105	530,376	645,688
						115,312
Expenditures:						
Current:						
General Government	6,937,282	6,260,666	676,616	114,262	-	-
Public Safety	34,089,317	32,718,701	1,370,616	46,977	-	-
Highways and Streets	6,141,972	5,433,374	708,598	7,573,911	-	-
Health and Welfare	60,000	60,000	-	-	-	-
Culture and Recreation	1,086,761	1,016,612	70,149	10,043,824	-	-
Urban Development and Housing	627,023	593,808	33,215	11,541,346	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:	-	-	-	-	1,860,000	1,860,000
Principal Retirement	-	-	-	-	841,200	839,873
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	48,942,355	46,083,161	2,859,194	24,510,434	2,701,200	2,699,873
						1,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,281,844)	1,860,433	5,142,277	(2,050,329)	(2,170,824)	(2,054,185)
Other Financing Sources (Uses):						
Operating Transfers In	-	-	-	870,197	937,256	2,090,426
Operating Transfers Out	-	-	-	-	-	-
Loan Proceeds	-	-	-	2,388,413	-	-
						1,153,170
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,281,844)	1,860,433	5,142,277	(11,457,167)	(1,233,568)	1,269,809
Fund Balances - January 1	11,177,573	11,177,573	-	6,886,320	4,398,147	4,398,147
Fund Balances - December 31	\$ 7,895,729	\$ 13,038,006	\$ 5,142,277	\$ 7,894,601	\$ 3,164,579	\$ 4,434,388
						\$ 1,269,809

The accompanying notes are an integral part of the financial statements.

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) - GENERAL,
SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For The Year Ended December 31, 1999
(Continued)

	Budgeted Capital Projects Funds			Totals (Memorandum Only)		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 5,957,102	\$ 12,027,722	\$ 6,070,620	\$ 55,976,260	\$ 62,885,432	\$ 6,909,172
Licenses and Permits	-	-	-	130,858	178,264	47,406
Intergovernmental	489,571	480,670	(8,901)	5,523,592	7,018,118	1,494,526
Charges for Services	1,225,000	1,432,904	207,904	6,207,784	7,154,620	946,836
Fines and Forfeits	-	-	-	164,497	290,995	126,498
Interest	22,000	201,174	179,174	687,400	1,899,171	1,211,771
Donations	-	-	-	-	5,226	5,226
Miscellaneous	223,500	3,332,309	3,108,809	2,296,001	9,092,340	6,796,339
Total Revenues	7,917,173	17,474,779	9,557,606	70,986,392	88,524,166	17,537,774
Expenditures:						
Current:						
General Government	-	-	-	7,051,544	6,348,468	703,076
Public Safety	-	-	-	34,136,294	32,763,044	1,373,250
Highways and Streets	-	-	-	13,715,883	12,039,616	1,676,267
Health and Welfare	-	-	-	60,000	60,000	-
Culture and Recreation	-	-	-	11,988,988	11,060,436	928,552
Urban Development and Housing	-	-	-	12,168,369	8,322,031	3,846,338
Capital Outlay	16,527,544	14,515,084	2,012,460	16,527,544	14,515,084	2,012,460
Debt Service:	-	-	-	1,860,000	1,860,000	-
Principal Retirement	-	-	-	841,200	839,873	1,327
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	16,527,544	14,515,084	2,012,460	98,349,822	87,808,552	10,541,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,610,371)	2,959,695	11,570,066	(27,363,430)	715,614	28,079,044
Other Financing Sources (Uses):						
Operating Transfers In	-	158,460	158,460	2,780,480	3,119,083	338,603
Operating Transfers Out	(2,391,114)	(2,391,114)	-	(2,391,114)	(2,391,114)	-
Loan Proceeds	-	-	-	-	2,388,413	2,388,413
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(11,001,485)	727,041	11,728,526	(26,974,064)	3,831,996	30,806,060
Fund Balances - January 1	9,071,690	9,071,690	-	31,333,730	31,333,730	-
Fund Balances - December 31	\$ (1,929,795)	\$ 9,798,731	\$ 11,728,526	\$ 4,359,666	\$ 35,165,726	\$ 30,806,060

The accompanying notes are an integral part of the financial statements.

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For The Year Ended December 31, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues:			
Convention Fees	\$ 1,302,693	\$ -	\$ 1,302,693
Parking Fees	793,368	-	793,368
Metered Sales	21,199,282	-	21,199,282
Fire Protection	1,096,955	-	1,096,955
Solid Waste Fees	3,094,759	-	3,094,759
Licenses and Permits	988,534	-	988,534
Hall of Fame Fees	810,649	-	810,649
Golf Course Fees	1,892,252	-	1,892,252
Employee/Employer Contribution	-	7,200,154	7,200,154
Service Revenue	-	2,420,865	2,420,865
Miscellaneous	1,239,577	59,786	1,299,363
Total Operating Revenues	32,198,069	9,680,805	41,878,874
Operating Expenses:			
Operation and Maintenance	15,081,404	2,006,304	17,087,708
General and Administrative	8,977,892	613,820	9,591,712
Depreciation	6,122,496	53,286	6,175,782
Insurance Benefits	-	6,711,971	6,711,971
Total Operating Expenses	30,181,792	9,385,381	39,567,173
Operating Income	2,036,277	295,424	2,331,701
Nonoperating Revenues (Expenses):			
Interest	1,096,022	111,793	1,207,815
Hotel/Motel Tax	1,524,960	-	1,524,960
Other Income	2,843,920	-	2,843,920
Interest Expense and Fiscal Charges	(2,012,562)	(345)	(2,012,907)
Loss On Sale of Fixed Assets	(78,970)	(3,136)	(82,106)
Other Expenses	(1,765,168)	-	(1,765,168)
Total Nonoperating Revenues (Expenses)	1,608,202	108,312	1,716,514
Income Before Operating Transfers	3,644,479	403,736	4,048,215
Operating Transfers In	117,240	-	117,240
Net Income	3,761,719	403,736	4,165,455
Add: Depreciation on Assets Acquired With Contributions	535,259	-	535,259
Total Income	4,296,978	403,736	4,700,714
Retained Earnings - January 1 (Restated - See Note 17)	53,004,910	2,398,349	55,404,259
Retained Earnings - December 31	\$ 57,301,888	\$ 2,803,085	\$ 60,104,973

The accompanying notes are an integral part of the financial statements.

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
For The Year Ended December 31, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash Flows From Operating Activities:			
Operating Income	\$ 2,036,277	\$ 295,424	\$ 2,331,701
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	6,122,496	53,286	6,175,782
Bad Debt Expense	120,336	-	120,336
Nonoperating Revenues	2,836,563	-	2,836,563
Nonoperating Expenses	(1,717,416)	-	(1,717,416)
(Increase) Decrease in Assets:			
Intergovernmental Receivable	-	(364)	(364)
Accounts Receivable	(41,235)	(6,286)	(47,521)
Intergovernmental Receivable	2,710	-	2,710
Accounts Receivable - Other	(216,972)	-	(216,972)
Due From Other Funds	(110,383)	(104,328)	(214,711)
Inventory	109,257	(103,210)	6,047
Prepaid Expense	(998)	-	(998)
Advances to Other Funds	36,247	-	36,247
Increase (Decrease) in Liabilities:			
Accounts Payable	109,736	113,989	223,725
Payroll Payable	40,776	11,437	52,213
Compensated Absences Payable	72,857	15,773	88,630
Due To Other Funds	118,586	1,293	120,879
Taxes Payable	331	-	331
Other Payables	(28,387)	-	(28,387)
Deferred Revenue	(87,588)	-	(87,588)
Customer Deposits	28,846	-	28,846
Estimate for Unfiled Claims	-	(143,303)	(143,303)
Net Cash Provided by Operating Activities	9,433,039	133,711	9,566,750
Cash Flows From Noncapital Financing Activities:			
Hotel/Motel Tax	1,524,960	-	1,524,960
Operating Transfers In	117,240	-	117,240
Expenses Paid From Capital Lease Proceeds	7,995	-	7,995
Decrease in Interfund Payable	-	(8,420)	(8,420)
Increase in Advances From Other Funds	543,386	-	543,386
Net Cash Provided (Used) by Noncapital Financing Activities	2,193,581	(8,420)	2,185,161

The accompanying notes are an integral part of the financial statements.

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
For The Year Ended December 31, 1999
(Continued)

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (15,005,987)	\$ (12,022)	\$ (15,018,009)
Principal Paid on Revenue Bonds	(2,215,000)	-	(2,215,000)
Principal Portion of Capital Lease Contracts	(1,034,221)	(7,278)	(1,041,499)
Principal Portion of Loans	(18,000)	-	(18,000)
Interest Paid on Revenue Bonds	(2,487,102)	-	(2,487,102)
Interest Portion of Capital Lease Contracts	(122,730)	(345)	(123,075)
Proceeds From Sale of Equipment	4,959	3,346	8,305
Proceeds From Capital Lease Contracts	127,231	-	127,231
Capital Contributions	501,867	-	501,867
Net Cash Used by Capital and Related Financing Activities	(20,248,983)	(16,299)	(20,265,282)
Cash Flows From Investing Activities:			
Investments Sold	4,172,881	-	4,172,881
Interest on Investments	1,580,919	105,371	1,686,290
Net Cash Provided by Investing Activities	5,753,800	105,371	5,859,171
Net Increase (Decrease) in Cash and Cash Equivalents	(2,868,563)	214,363	(2,654,200)
Cash and Cash Equivalents at Beginning of Year	36,111,652	3,298,695	39,410,347
Cash and Cash Equivalents at End of Year	\$ 33,243,089	\$ 3,513,058	\$ 36,756,147
Supplemental Information:			
Capital Assets Contributed	\$ 47,074	\$ 250,471	\$ 297,545
Capital Assets Acquired By Accounts Payable	589,074	-	589,074
Capital Assets Acquired By Capital Lease	336,284	-	336,284
Capital Assets Acquired By State Revolving Fund Loan	5,113,239	-	5,113,239
Trade In Value of Fixed Assets	102,228	-	102,228
Capital Asset Disposals	474,258	-	474,258
Interest Expense Capitalized	703,090	-	703,090

The accompanying notes are an integral part of the financial statements.

CITY OF SOUTH BEND, INDIANA
STATEMENT OF CHANGES IN PLAN NET ASSETS - PENSION TRUST FUNDS
For The Year Ended December 31, 1999

	1925 Police Pension	1937 Firefighters' Pension	Totals
Additions:			
Employer Contributions	\$ 3,003,500	\$ 2,895,452	\$ 5,898,952
Employee Contributions	89,824	113,638	203,462
Interest	--	7,749	7,749
Other	7,045	--	7,045
Total Additions	3,100,369	3,016,839	6,117,208
Deductions:			
Benefits	3,422,425	2,770,393	6,192,818
Administrative Expenses	12,437	8,078	20,515
Total Deductions	3,434,862	2,778,471	6,213,333
Net Decrease	(334,493)	238,368	(96,125)
Net Assets Held in Trust for Pension Benefits, January 1	833,900	912,070	1,745,970
Net Assets Held in Trust for Pension Benefits, December 31	\$ 499,407	\$ 1,150,438	\$ 1,649,845

The accompanying notes are an integral part of the financial statements.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Introduction

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

B. Reporting Entity

Generally accepted accounting principles require that these financial statements present the City of South Bend (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government.

The South Bend Redevelopment Authority, a legally separate entity, is reported as if it were a part of the primary government because its sole purpose is to finance and construct buildings for use by the primary government. Financial statements for the Redevelopment Authority are available at the City Controller's Office, City of South Bend, 1400 County-City Building, South Bend, Indiana, 46601.

The Friends of the College Football Hall of Fame, Inc., (Friends) is a legally separate nonprofit corporation. This corporation is reported as if it were a part of the City because its sole purpose is to solicit donations for the benefit of the City's College Football Hall of Fame. Financial statements of the Friends are available at: 111 South St. Joseph Street, South Bend, Indiana, 46601.

The South Bend Entertainment, Inc., is also a legally separate nonprofit corporation. This organization is reported as if it were a part of the City because its main purpose is to solicit donations for the restoration and renovation of the City's Morris Civic Auditorium and the City's Palais Royale Ballroom. Financial statements for the South Bend Entertainment, Inc., are available at: 211 North Michigan Street, South Bend, Indiana, 46601.

The South Bend Building Corporation, Inc., is also a legally separate nonprofit corporation. This organization is reported as if it were a part of the City because its main purpose is to finance construction and remodeling of city buildings for the City of South Bend. Debt of the Building Corporation is repaid through lease payments from the City. Financial statements for the Building Corporation are available at the City Controller's Office.

C. 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 Special Funds Board of Managers.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Related Organizations (Continued)

During 1999, the Special Funds Board of Managers provided \$1,144,096 to the City's Century Center and \$380,864 to the City's College Football Hall of Fame, both enterprise funds, to finance operating costs.

D. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The City has the following fund types and account groups:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governmental units, or on behalf of other funds within the same governmental unit. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or an expendable trust fund is used. The term "expendable" means the government is not under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Within this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within sixty days after year end. A sixty to ninety day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, licenses and permits, interest revenue and charges for services. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

The City has elected, under GASB Statement No. 20, not to apply statements issued by the Financial Accounting Standards Board after November 30, 1989. New GASB pronouncements on accounting and financial reporting for proprietary activities will be followed.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the State Board of Tax Commissioners. Budget modifications have been made in accordance with the laws of the State of Indiana.

Budgets are adopted on the cash basis which is not consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund, twelve special revenue funds, three debt service funds, eleven capital projects funds, eight enterprise funds, three internal service funds, and two pension trust funds. All annual appropriations lapse at fiscal year end. See Note 2 for the legal compliance of the budgetary process and a reconciliation of the Budgetary (Non-GAAP) basis to GAAP basis.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

H. Investments

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

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

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

I. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statutes (IC 6-1.1-17-16) require the State Board of Tax Commissioners 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 33 1/3% of the true tax value (determined in accordance with rules and regulations adopted by the State Board of Tax Commissioners). Taxes

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

I. Property Taxes (Continued)

may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer for distribution were distributed to the City prior to December 31. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred revenue since the amounts are not considered available.

J. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for lending/borrowing arrangements and goods provided or services rendered. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund transactions.) All other outstanding balances between funds are reported as "due to/from other funds." See Note 9 for further disclosure of interfund balances.

K. Inventories

Inventories are valued using an average cost method and consist of maintenance supplies and replacement parts held for consumption. The cost is recorded as an expenditure in governmental funds and as an expense in proprietary funds at the time individual inventory items are consumed.

L. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their fair market value on the date received.

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. However, improvements are capitalized.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

The Studebaker National Museum building and the Studebaker collection are owned by the City of South Bend and operated on behalf of the City by the Studebaker National Museum, Inc., a nonprofit corporation.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

L. Fixed Assets (Continued)

The collection of the museum consists of various automobiles and other vehicles, original patents and related materials for the Studebaker and Packard Motor Car Companies, and various other related parts, supplies, and other materials donated to the City by the Studebaker Corporation, and its corporate successors, as well as by other private companies and individuals. The collection also includes the corporate archives of the Studebaker Corporation which were donated to the museum by a university which had originally received the Studebaker archives from the Studebaker-Worthington Company. In addition, the collection includes vehicles and other materials owned by the Studebaker National Museum, Inc., and vehicles and other materials on loan from various private individuals.

In conformity with the practice followed by many museums, the collection is not included in the General Fixed Asset Account Group of the City of South Bend. If the collection were to be included in the General Fixed Asset Account Group, it would be valued at the fair market value (FMV) at the date received by donation or at the actual historical cost at the date purchased.

The original vehicle collection was donated to the City in 1966 (FMV not known) and had a FMV of \$561,500 in 1986. No values are known for subsequently acquired vehicles or for parts and supplies. The Packard Motor Car Company Patents, Studebaker Corporation Patents and the Studebaker Corporation Archives FMV at the time donated are not known. Fair market values known are \$72,290 at September 1, 1909; \$38,759 at March 7, 1911; and \$371,791 at July 15, 1968; respectively.

No purchase of additional collection items were made, no donations of collection items were received, and no dispositions of collection items were made by the City in 1999.

Assets in the general fixed assets account group are not depreciated. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided using a composite rate based on a straight-line method over the average service life of the property as follows:

Buildings	50 to 66 Years
Improvements	50 to 100 Years
Equipment	5 to 40 Years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

M. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bonds payable are reported net of applicable bond premium or discount. Issuance costs are reported as deferred charges and are amortized over the life of the bonds using the straight-line method. Bond premiums and discounts are amortized to interest expense over the life of the bonds using the straight-line method.

N. Fund Equity

Reserves represent those portions of the fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. The City has elected to reduce the contribution account for depreciation expense on assets acquired through contributed capital for the Parking Garage and the Century Center, both enterprise funds.

O. Totals (Memorandum Only)

The Totals columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or statement of cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Legal Compliance - Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. The Mayor 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 budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 2. Legal Compliance - Budgets (Continued)

- C. In September 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 the advertisements for funds for which property taxes are levied or highway use taxes are received are sent to the State Board of Tax Commissioners. The budget becomes legally enacted after the City Controller receives approval of the State Board of Tax Commissioners. 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 may be granted by the State Board of Tax Commissioners upon appeal by the City.
- E. 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. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. Any revisions to the appropriations for any fund or any department of the General Fund must be approved by the Common Council and, in some instances, by the State Board of Tax Commissioners.
- 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:

General Fund

Special Revenue Funds:

Park and Recreation, Recreation Nonreverting, Motor Vehicle Highway, Redevelopment State Grants, Community Development, Local Road and Street, Human Rights-Federal, Special Events, Hazmat, Indiana River Rescue, Urban Development Action Grant, and Leaf Collection and Removal

Debt Service Funds:

Tax Incremental Financing Bonds, Redevelopment Bond - Studebaker, and Redevelopment District Bond

Capital Projects Funds:

Emergency Medical Services, C.O.I.T., Park Nonreverting Capital, Cumulative Capital Development, Cumulative Capital Improvement, Economic Development Income Tax, Tax Incremental Financing - Sample/Ewing, Tax Incremental Financing - Downtown, Tax Incremental Financing - West Washington, Redevelopment General, and Tax Incremental Financing - Airport

Enterprise Funds:

Parking Garage, Water Utility, Wastewater Utility, Century Center, Solid Waste, Consolidated Building, Blackthorn Golf Course, and Hall of Fame

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 2. Legal Compliance - Budgets (Continued)

Internal Service Funds:

Liability Insurance Premium Reserve, Self-Funded Employee Benefits, and Central Services

Pension Trust Funds:

1925 Police Pension and 1937 Firefighters' Pension

- G. Budgeted amounts are originally adopted or amended by the Common Council and approved by the State Board of Tax Commissioners for funds for which property taxes are levied or for which highway use taxes are received. The net effect of individual amendments to the budget increased the original appropriations by \$9,310,096. The final budgeted amounts were adjusted by the amounts of beginning and ending encumbrances in order to be comparable to the actual budget basis expenditures.
- H. The following reconciliation of Budgetary (Non-GAAP) basis to GAAP basis is for the budgeted governmental funds only. The non-budgeted funds are shown in a net amount.

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

1. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
3. 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>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (Budgetary Basis)	\$ 1,860,433	\$ 1,208,281	\$ 36,241	\$ 727,041
Adjustments to:				
Revenues for Accruals	75,354	661,515	1,679,141	(1,314,673)
Expenditures for Accruals	(569,770)	1,210,194	(2,286,638)	(1,528,153)
Expenditures for Encumbrances	1,694,114	1,950,428	—	4,548,486
Nonbudgeted Funds (Net)	<u>—</u>	<u>445,266</u>	<u>596</u>	<u>(10,375,556)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (GAAP Basis)	<u>\$ 3,060,131</u>	<u>\$ 5,475,684</u>	<u>\$ (570,660)</u>	<u>\$ (7,942,855)</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 2. Legal Compliance - Budgets (Continued)

- I. Expenditures did not exceed appropriations for any departments within the General Fund or any other funds which require legally approved budgets.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise; discount notes issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; repurchase agreements involving the purchase and guaranteed resale of any interest bearing obligations issued or fully insured or guaranteed by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise; and money market mutual funds that are in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended. The portfolio of an investment company or investment trust must be limited to direct obligations of the United States; obligations issued by a federal agency; a federal instrumentality; or a federal government sponsored enterprise; and repurchase agreements fully collateralized by direct obligations of the United States and obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Certain other statutory restrictions apply to all investments made by local governmental units.

The City's investments are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Category			Reported Amount	Fair Value
	1	2	3		
U.S. Government Securities	\$ --	\$ --	\$ 3,985,157	\$ 3,985,157	\$ 3,985,157
Repurchase Agreements	--	--	8,668,000	8,668,000	8,668,000
Total Investments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,653,157</u>	<u>\$ 12,653,157</u>	<u>\$ 12,653,157</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 4. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The City of South Bend contributes to the Public Employees' Retirement Fund (PERF), a defined benefit pension plan. The Public Employees' Retirement Fund (PERF) is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Phone (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF.

Information to segregate the assets and the actuarial study figures between the City and the proprietary funds is not available.

B. 1925 Police Officers' Pension Plan

Plan Description

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

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 4. Pension Plans (Continued)

B. 1925 Police Officers' Pension Plan (Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

The State of Indiana, through the pension relief legislation of 1977, provides the City with assistance in meeting its' contribution requirements for this single-employer pension plan. For the years ended December 31, 1999, 1998, and 1997, this State assistance totaled \$1,918,914, \$2,198,383, and \$2,119,972, respectively.

The use of the pay-as-you-go method by the City results in significant underfunding of the plan. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the General Long-Term Debt Account Group.

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

The State of Indiana, through the pension relief legislation of 1977, provides the City with assistance in meeting its contribution requirements for this single-employer pension plan. For the years ended December 31, 1999, 1998, and 1997, this State assistance totaled \$1,685,540, \$2,298,499, and \$2,285,711, respectively.

The use of the pay-as-you-go method by the City results in significant underfunding of the plan. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the General Long-Term Debt Account Group.

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 4. Pension Plans (Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund (Continued)

Plan Description (Continued)

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

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Phone (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% 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 21% 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. The City's contributions to the plan for the years ended December 31, 1999, 1998, and 1997 were \$1,964,003, \$1,829,291, and \$1,578,150, respectively, equal to the required contributions for each year.

E. Actuarial Information for Pension Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual Required Contribution	\$ 702,190	\$ 7,993,300	\$ 7,731,700
Interest on Net Pension Obligation	(4,210)	478,500	441,600
Adjustment to Annual Required Contribution	<u>4,504</u>	<u>(672,900)</u>	<u>(621,200)</u>
Annual Pension Cost	702,484	7,798,900	7,552,100
Contributions Made	<u>794,831</u>	<u>3,729,800</u>	<u>3,619,300</u>
Increase (Decrease) in Net Pension Obligation	(92,347)	4,069,100	3,932,800
Net Pension Obligation, Beginning of Year	<u>(58,069)</u>	<u>7,086,800</u>	<u>6,542,100</u>
Net Pension Obligation, End of Year	<u>\$ (150,416)</u>	<u>\$ 11,155,900</u>	<u>\$ 10,474,900</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 4. Pension Plans (Continued)

E. Actuarial Information for Pension Plans (Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution Rates:			
City	3.75%	444%	351%
Plan Members	3%	6%	6%
Actuarial Valuation Date	07-01-99	01-01-99	01-01-99
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Projected Payroll, Closed	Closed	Closed
Remaining Amortization Period	38 Years	18 Years	18 Years
Asset Valuation Method	4 Year Smoothed Market	4 Year Smoothed Market	4 Year Smoothed Market

Actuarial Assumptions

Investment Rate of Return	7.25%	7%	7%
Projected Future Salary Increases:			
Total	5%	5%	5%
Attributed to Inflation	4%	4%	4%
Attributed to Merit/Seniority	1%	1%	1%
Cost-of-Living Adjustments	2%	0%	0%

Three Year Trend Information

	PERF		
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-97	\$ 726,628	99%	\$ 5,064
06-30-98	669,089	104%	(58,069)
06-30-99	702,484	113%	(150,416)

1925 Police Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-96	\$ 6,412,100	50.87%	\$ 3,150,000
12-31-97	7,559,100	46.87%	7,086,800
12-31-98	7,798,900	47.82%	11,155,900

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 4. Pension Plans (Continued)

E. Actuarial Information for Pension Plans (Continued)

Three Year Trend Information
(Continued)

<u>1937 Firefighters' Pension Plan</u>			
<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12-31-96	\$ 6,427,100	56.13%	\$ 2,819,600
12-31-97	7,617,700	50.21%	6,542,100
12-31-98	7,552,100	47.92%	10,474,900

Membership in the 1925 Police Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 1999 was comprised of the following:

	<u>1925 Police Pension Plan</u>	<u>1937 Firefighters' Pension Plan</u>
Retirees and Beneficiaries Currently Receiving Benefits	254	205
Terminated Employees Entitled To But Not Yet Receiving Benefits	--	--
Current Active Employees	19	20

Note 5. Fixed Assets

The following is a summary of changes in the general fixed assets for the year ended December 31, 1999:

	<u>1999</u>		
	<u>Balance January 1</u>	<u>Additions</u>	<u>Balance December 31</u>
Land	\$ 7,622,636	\$ 218,000	\$ 7,757,532
Buildings	23,238,061	2,019,924	25,241,625
Improvements Other Than Buildings	8,981,387	132,525	9,022,383
Machinery and Equipment	27,104,714	3,717,935	26,150,090
Construction in Progress	13,363,681	13,031,723	24,483,069
Totals	<u>\$ 80,310,479</u>	<u>\$ 19,120,107</u>	<u>\$ 92,654,699</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 5. Fixed Assets (Continued)

The following is a summary of proprietary fund type fixed assets at December 31, 1999:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land	\$ 2,700,538	\$ --
Buildings	55,980,575	--
Improvements Other Than Buildings	65,685,050	--
Machinery and Equipment	53,253,548	824,806
Construction in Progress	<u>22,865,152</u>	<u>--</u>
Totals	200,484,863	824,806
Accumulated Depreciation	<u>58,915,928</u>	<u>433,877</u>
Net Fixed Assets	<u>\$ 141,568,935</u>	<u>\$ 390,929</u>

Note 6. Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
1997 Redevelopment District Refunding	4.0% to 5.1%	\$ <u>3,620,000</u>

Revenue Bonds Payable From Governmental Funds

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Tax Incremental Financing Revenue Bonds:		
1988	6.8% to 7.75%	\$ 1,450,000
1992	5.3% to 5.8%	3,090,000
Redevelopment Authority Revenue Bonds:		
1990 South Bend Central Development Area	6.6% to 7.3%	790,000
1992 Parking Facilities Refinancing	3.25% to 6.3%	2,790,000
1992 Palais Royale	3.9% to 7.3%	765,000
1993 Airport Economic Development Area Refinancing	4.2% to 7.4%	4,090,000

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 6. Long-Term Debt (Continued)

Revenue Bonds Payable From Governmental Funds (Continued)

Purpose	Interest Rates	Amount
Redevelopment Authority Revenue Bonds (Continued):		
1994 Century Center Improvements	4.3% to 6.25%	\$ 6,460,000
1996 South Bend Central Development Area Refinancing	4.0% to 5.85%	3,725,000
1997 Airport Economic Development Area Refinancing	4.0% to 5.6%	2,295,000
1998 Morris Performing Arts Center	4.5% to 5.1%	13,300,000
County Economic Development Income Tax Revenue Bonds:		
1997 Series A - Tax Exempt	3.9% to 5.55%	6,150,000
1997 Series B - Taxable	6.0% to 7.25%	<u>5,195,000</u>
Total		<u>\$ 50,100,000</u>

Mortgage Bonds Payable From Governmental Funds

Purpose	Interest Rates	Amount
1999A Fire Station	5.0%	\$ 1,388,858
1999B New Roof	5.0%	424,806
1999C O'Brien Center	5.53%	<u>570,000</u>
Total		<u>\$ 2,383,664</u>

Revenue Bonds Payable From Enterprise Funds

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

Purpose	Interest Rates	Amount
1993 Sewage Utility Refunding	2.4% to 5.6%	\$ 6,525,000
1998 Sewage Works (State Revolving Fund Advance)	2.9%	5,113,239
1993 Water Works Improvements	3.4% to 5.1%	3,640,000
1997 Water Works Improvements	4.35% to 4.75%	20,125,000
1994 College Football Hall of Fame	Variable	17,450,000
1998 Blackthorn Golf Course Refunding	3.25% to 4.8%	<u>6,015,000</u>
Total		<u>\$ 58,868,239</u>

The 1998 Sewage Works Revenue Bonds are being financed by the Indiana State Revolving Loan Fund. The total amount authorized is \$24,095,000. Funds are being received as construction costs are incurred. Interest does not begin accruing until December 1, 2000.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 6. Long-Term Debt (Continued)

Unamortized Amounts of Bonds

Revenue bonds at year end include the following amounts of unamortized bond discount, premium, and gain or loss of advance refunding of debt:

	Balance at December 31	Less: Unamortized Discount	Reported on Balance Sheet
1993 Sewage Revenue Bonds	\$ 6,525,000	\$ 40,448	\$ 6,484,552
1998 Sewage Revenue Bonds	5,113,239	--	5,113,239
1993 Water Revenue Bonds	3,640,000	23,733	3,616,267
1997 Water Revenue Bonds	20,125,000	145,950	19,979,050
1994 College Football Hall of Fame Revenue Bonds	17,450,000	--	17,450,000
1998 Blackthorn Golf Course Revenue Bonds	<u>6,015,000</u>	<u>57,783</u>	<u>5,957,217</u>
Totals	<u>\$ 58,868,239</u>	<u>\$ 267,914</u>	<u>\$ 58,600,325</u>

Annual debt service requirements to maturity for general obligation bonds, revenue bonds payable from governmental funds, mortgage bonds payable from governmental funds, and revenue bonds payable from enterprise funds, including interest of \$648,468, \$25,893,871, \$513,214, and \$11,802,204, respectively, are shown in the following schedule. The revenue bonds payable from enterprise funds do not include the College Football Hall of Fame variable interest rate bond issue. Also, the amounts payable from the enterprise funds do not include the 1998 Sewage Works Revenue Bonds. These bonds are financed by the Indiana State Revolving Loan Fund. The total authorized from the Revolving Loan Fund is \$24,095,000 and as of December 31, 1999, the City has received \$5,113,239.

	Payable From Governmental Funds			Payable From Enterprise Funds
	General Obligation	Revenue	Mortgage	Revenue
2000	\$ 653,120	\$ 5,622,795	\$ 425,672	\$ 1,888,053
2001	660,830	5,637,036	425,672	4,109,415
2002	656,778	5,585,817	425,672	4,127,607
2003	656,260	5,766,540	425,672	4,166,764
2004	658,875	5,414,777	425,672	4,216,828
Thereafter	<u>982,605</u>	<u>47,966,906</u>	<u>768,518</u>	<u>29,598,537</u>
Totals	<u>\$ 4,268,468</u>	<u>\$ 75,993,871</u>	<u>\$ 2,896,878</u>	<u>\$ 48,107,204</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 6. Long-Term Debt (Continued)

Notes Payable (Continued)

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
2000	\$ 1,649,267	\$ 23,000
2001	327,180	28,000
2002	315,380	28,000
2003	304,580	28,000
2004	293,580	28,000
Thereafter	<u>1,734,280</u>	<u>58,000</u>
Totals	<u>\$ 4,624,267</u>	<u>\$ 193,000</u>

Land Contract Payable

The City has entered into a land contract for a parcel of land. Payments for this land contract are made from the Tax Incremental Financing - Airport Capital Projects Fund. As of December 31, 1999, the unpaid principal balance due from the City on this land contract totaled \$787,000. The annual requirement for the land contract, including interest of \$53,123, is as follows:

2000	\$ 428,915
2001	<u>411,208</u>
Totals	<u>\$ 840,123</u>

Changes in Long-Term Debt

During the year ended December 31, 1999, the following changes occurred in long-term debt payable from proprietary funds:

	<u>1999</u>		
	<u>Balance January 1</u>	<u>Additions</u>	<u>Balance December 31</u>
Compensated Absences	\$ 455,997	\$ 88,212	\$ 544,209
Notes Payable	211,000	—	193,000
Revenue Bonds	55,970,000	5,113,239	58,868,239
Obligations Under Capital Leases	<u>1,839,761</u>	<u>471,510</u>	<u>1,269,772</u>
Totals	<u>\$ 58,476,758</u>	<u>\$ 5,672,961</u>	<u>\$ 60,875,220</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 6. Long-Term Debt (Continued)

Changes in Long-Term Debt (Continued)

During the year ended December 31, 1999, the following changes occurred in general long-term debt:

	1999			
	Balance January 1	Additions	Reductions	Balance December 31
Compensated Absences	\$ 2,547,702	\$ 261,893	\$ 126,807	\$ 2,682,788
General Obligation Bonds	4,085,000	--	465,000	3,620,000
Revenue Bonds Payable				
From Governmental Funds	52,125,000	--	2,025,000	50,100,000
Mortgage Bonds Payable	--	2,448,858	65,194	2,383,664
Notes Payable*	1,455,000	2,400,000	250,000	3,605,000
Land Contract Payable	1,180,500	--	393,500	787,000
Obligations Under Capital Leases	6,884,599	865,000	2,333,743	5,415,856
Pension Liability	<u>13,628,900</u>	<u>8,001,900</u>	<u>--</u>	<u>21,630,800</u>
Totals	<u>\$ 81,906,701</u>	<u>\$ 13,977,651</u>	<u>\$ 5,659,244</u>	<u>\$ 90,225,108</u>

*The January 1, 1998 notes payable has been restated to recognize a \$1,000,000 loan previously omitted.

Note 7. 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; natural disasters; and medical benefits to employees, retirees, and dependents.

The risk of theft of, damage to, and destruction of assets and the risk of errors and omissions 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.

A. 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, where assets are set aside for claim settlements. A premium is charged to each fund based on a four year study of workers compensation claims and other liability claims, and based on the number of employees within the fund and percent of the fund's total budget. Provisions are also made for unexpected and unusual claims.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 7. Risk Management (Continued)

A. Liability Insurance (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 pay outs and other economic and social factors.

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

	<u>1998</u>	<u>1999</u>
Unpaid Claims, Beginning of Year	\$ 80,926	\$ 237,062
Incurred Claims and Changed in Estimates	1,438,824	1,277,882
Claim Payments	<u>(1,282,688)</u>	<u>(1,314,468)</u>
Unpaid Claims, End of Year	<u>\$ 237,062</u>	<u>\$ 200,476</u>

B. Group Health Insurance

The City's Self-Funded Employee Benefits Fund, an internal service fund, services the risk of loss related to health claims of employees and their covered dependents. An excess policy through commercial insurance covers aggregate claims in excess of \$75,000 per person per year. This increased to \$100,000 beginning January 1, 2000. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all insured funds and are available to pay claims, claim reserves and administrative costs of the program. Interfund premiums are based primarily on the insured funds' number of employees (including type of coverage - single or family) and are reported as expenditures of those funds.

Claim liabilities of the internal service 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. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors. Changes in the balances of claim liabilities during the past two years are as follows:

	<u>1998</u>	<u>1999</u>
Unpaid Claims, Beginning of Year	\$ 67,069	\$ 459,693
Incurred Claims and Changes in Estimates	6,898,250	5,434,089
Claims Paid	<u>(6,505,626)</u>	<u>(5,436,670)</u>
Unpaid Claims, End of Year	<u>\$ 459,693</u>	<u>\$ 457,112</u>

Unpaid claims for both liability and group health insurance are reported on the financial statements as either accounts payable or estimate of unfilled claims.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 8. Reserved Retained Earnings/Fund Balances

The following schedule represents the various reservations of retained earnings at December 31, 1999:

	Fund Type	
	Enterprise	Internal Service
Reserved for:		
Debt Service	\$ 10,242,356	\$ --
Insurance Claims	--	2,852,451
Total Reserved Retained Earnings	<u>\$ 10,242,356</u>	<u>\$ 2,852,451</u>

The following schedule represents the various reservations of fund balances at December 31, 1999:

	Fund Type				
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Reserved for:					
Non-Current Loan Receivable	\$ --	\$ 6,912,913	\$ --	\$ 132,000	\$ --
Advances to Other Funds	1,750,000	--	--	--	--
Inventory	--	68,858	--	--	--
Property Held for Resale	--	1,084,763	--	5,657,770	--
Debt Service	--	--	7,404,861	--	--
Pensions	--	--	--	--	1,849,845
Encumbrances	<u>759,039</u>	<u>504,888</u>	<u>--</u>	<u>3,930,860</u>	<u>--</u>
Total Reserved Fund Balance	<u>\$ 2,509,039</u>	<u>\$ 8,571,422</u>	<u>\$ 7,404,861</u>	<u>\$ 9,720,630</u>	<u>\$ 1,649,845</u>

Note 9. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 1999 is as follows:

Interfund Receivable/Payable

Receivable Fund	Payable Fund	Amount
General	Parking Garage	\$ 1,721,320
General	Central Services	959,922
Park Nonreverting Capital	Park and Recreation	11,780
TIF - Sample/Ewing	Redevelopment Bond - Studebaker	13,660
South Bend Entertainment	General	<u>9,650</u>
Total		<u>\$ 2,716,332</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 9. Interfund Receivables and Payables (Continued)

Advance To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	College Football Hall of Fame	<u>\$ 1,750,000</u>

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Park and Recreation	\$ 3,105
General	Motor Vehicle Highway	206
General	Community Development	22,258
General	Accident Reports	100
General	Water Utility	11,213
General	Wastewater Utility	478
General	Century Center	1,497
General	Solid Waste	1
General	Consolidated Building	382
General	Hall of Fame	1,210
General	Liability Insurance Premium	44
General	Self-Funded Employee Benefits	45
General	Central Services	1,122
Community Development	Urban Development Action Grant	761
Community Development	Industrial Revolving	10,723
Human Rights - Federal	Community Development	2,466
Water Utility	Wastewater Utility	151,103
Wastewater Utility	General	177,301
Wastewater Utility	Solid Waste	124,424
Century Center	Hall of Fame	9,354
Central Services	General	241,992
Central Services	Park and Recreation	24,235
Central Services	Motor Vehicle Highway	265
Central Services	Community Development	3,225
Central Services	Accident Report	835
Central Services	Water Utility	16,028
Central Services	Wastewater Utility	54,910
Central Services	Century Center	1,501
Central Services	Solid Waste	41,632
Central Services	Consolidated Building	2,026
Central Services	Hall of Fame	566
Central Services	Liability Insurance Premium Reserve	601
Central Services	Self-Funded Employee Benefits	<u>134</u>
Total		<u>\$ 905,743</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 9. Interfund Receivables and Payables (Continued)

Operating Transfers

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General	Emergency Medical Services	\$ 250,000
Community Development	General	295,662
Community Development	Economic Development Income Tax	345,716
TIF-Bonds	TIF-Downtown	937,256
Redevelopment District Bonds	TIF-Downtown	1,381,026
Redevelopment District Bonds	TIF-Airport	665,545
Redevelopment District Bonds	Cumulative Capital Improvement	594,000
Redevelopment District Bonds	Morris Performing Arts Center	13,702
Building Corporation Debt Service	General	83,268
Economic Development Income Tax	South Bend Entertainment	1,426,794
TIF-Downtown	TIF-Bonds	85,498
TIF-Downtown	Redevelopment District Bonds	297,703
TIF-Airport	Redevelopment District Bonds	17,990
Morris Performing Arts Center	Redevelopment District Bonds	26,938
Blackthorn Golf Course	TIF-Airport	17,240
Hall of Fame	Friends of the College Football Hall of Fame	100,000
Total		<u>\$ 6,538,338</u>

Residual Equity Transfers

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
TIF-Downtown	Hall of Fame Bond	<u>\$ 5,029</u>

Note 10. Compensated Absences

- A. Sick Leave - City employees earn eight days sick leave per year after one full year of employment. Sick leave may accumulate to a maximum of ninety days for police officers, one hundred days for firefighters, sixty days for teamsters and sixty-five days for all other employees. Accumulated sick leave is paid to firefighters upon termination of employment at one-half their current pay rate. Accumulated sick leave is also paid to police officers upon retirement at a rate of one-half the corporal's pay rate of pay up to a maximum of sixty days. Employees under the teamsters' contract may receive \$25 for each accumulated sick leave day at the time of retirement. Since none of this liability is expected to be liquidated with expendable available financial resources, this liability is accounted for in the General Long-Term Debt Account Group.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 10. Compensated Absences (Continued)

- B. Vacation Leave - City employees earn vacation leave at rates from nine to twenty-eight days per year based upon the number of years of service. Vacation leave does not accumulate from year to year. Unused vacation leave is paid to employees upon termination of employment. Employees earn vacation leave during the year to be used the following year. As of December 31, 1999, this earned vacation leave is not expected to be liquidated with expendable available resources. Therefore, it is shown as a liability in the General Long-Term Debt Account Group for employees paid from governmental funds.
- C. Compensatory Leave - Policemen and firemen have accumulated overtime-compensatory leave for a variety of reasons. As of December 31, 1999, none of this liability is expected to be liquidated with expendable available financial resources. The liability is accounted for in the General Long-Term Debt Account Group.
- D. Personal Leave - City police officers earn personal leave at the rate of seven days per year. Personal leave does not accumulate from year to year. Unused personal leave may be rolled into sick leave. City employees under the teamster contract can use their sick leave for personal leave.

Note 11. Retained Earnings Deficits

The following funds had deficit balances in retained earnings as of December 31, 1999:

<u>Fund</u>	<u>Balance</u>
Enterprise Funds:	
Parking Garage	\$ (94,955)
Blackthorn Golf Course	(156,792)
Hall of Fame	(4,612,641)
Internal Service Fund:	
Central Services	(49,366)

Note 12. Operating Leases

The City has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for telephone services, vehicles, copiers and office space. Expenditures for these leases were \$108,684. The following is a schedule by years of future minimum rental payments as of December 31, 1999:

<u>Year Ending December 31</u>	<u>Amounts</u>
2000	\$ 108,684
2001	81,448
2002	53,986
2003	53,986
2004	<u>26,993</u>
Total Minimum Payments Required	<u>\$ 325,097</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 13. Enterprise Fund Segment Information

The City maintains Enterprise Funds which provide services to the public. These facilities are intended to be self-supporting. Financial segment information as of and for the year ended December 31, 1999, is presented below.

	<u>Parking Garage</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Century Center</u>
Operating Revenue	\$ 616,745	\$ 10,873,836	\$ 12,502,608	\$ 1,623,437
Depreciation	155,679	835,247	3,192,557	583,147
Operating Income (Loss)	73,187	3,376,243	1,219,653	(1,468,253)
Tax Revenues	—	—	—	1,144,096
Net Income (Loss)	33,442	3,466,806	1,566,542	(244,067)
Current Capital Contributions (Net)	—	12,636	489,231	47,074
Fixed Assets:				
Additions	—	2,165,026	3,767,829	217,395
Deletions	—	150,950	74,161	21,789
Total Assets	4,890,717	55,988,626	79,974,375	17,042,550
Net Working Capital	(1,995,670)	2,637,016	2,569,238	50,657
Bonds Payable	—	23,765,000	11,638,239	—
Leases Payable	541,465	34,114	—	439,738
Total Equity	2,585,357	30,479,150	67,337,731	16,053,468

	<u>Solid Waste</u>	<u>Consolidated Building</u>	<u>Blackthorn Golf Course</u>	<u>Hall Of Fame</u>	<u>Total</u>
Operating Revenue	\$ 3,094,759	\$ 983,783	\$ 1,692,252	\$ 810,649	\$ 32,198,069
Depreciation	232,719	17,018	114,452	991,677	6,122,496
Operating Income (Loss)	28,521	33,086	426,661	(1,652,821)	2,036,277
Tax Revenues	—	—	—	380,864	1,524,960
Net Income (Loss)	189,537	28,727	116,679	(1,395,947)	3,761,719
Current Capital Contributions (Net)	—	—	—	—	548,941
Fixed Assets:					
Additions	—	40,900	250,625	—	6,441,775
Deletions	—	25,445	201,913	—	474,258
Total Assets	1,159,945	414,775	6,070,414	15,218,037	180,759,439
Net Working Capital	296,595	203,973	498,484	135,650	4,395,943
Bonds Payable	—	—	6,015,000	17,450,000	58,868,239
Leases Payable	82,861	—	166,015	4,028	1,268,221
Advances From Other Funds	—	—	—	1,750,000	1,750,000
Total Equity	691,194	347,494	(156,792)	(4,115,171)	113,222,431

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 14. Changes in Contributed Capital

The following schedules show the changes in Contributed Capital for the year 1999:

Enterprise Funds:

	<u>Parking Garage</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Century Center</u>
Balance, January 1	\$ 2,767,243	\$ 6,846,586	\$ 30,544,340	\$ 15,144,739
Municipal	--	--	489,231	47,074
Private	--	12,636	--	--
Less: Depreciation on Assets Acquired With Contributions	<u>(86,931)</u>	<u>--</u>	<u>--</u>	<u>(448,328)</u>
Balance, December 31	<u>\$ 2,680,312</u>	<u>\$ 6,859,222</u>	<u>\$ 31,033,571</u>	<u>\$ 14,743,485</u>

	<u>Consolidated Building</u>	<u>Hall of Fame</u>	<u>Total</u>
Balance, January 1	\$ 103,953	\$ 500,000	\$ 55,906,861
Municipal	--	--	536,305
Private	--	--	12,636
Less: Depreciation on Assets Acquired With Contributions	<u>--</u>	<u>--</u>	<u>(535,259)</u>
Balance, December 31	<u>\$ 103,953</u>	<u>\$ 500,000</u>	<u>\$ 55,920,543</u>

Internal Service Funds:

	<u>Liability Insurance Premium Reserve</u>	<u>Central Services</u>	<u>Total</u>
Balance, January 1	\$ 11,327	\$ 80,274	\$ 91,601
Municipal	--	250,471	250,471
Less: Contributed Assets Disposed	<u>(8,543)</u>	<u>--</u>	<u>(8,543)</u>
Balance, December 31	<u>\$ 2,784</u>	<u>\$ 330,745</u>	<u>\$ 333,529</u>

Note 15. 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.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 15. Conduit Debt Obligation (Continued)

As of December 31, 1999, there were ninety-seven series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for four series issued after July 1, 1995, was \$20,675,000. The aggregate principal amount payable for the ninety-three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$174,699,215.

Note 16. Postemployment Benefits

In addition to the pension benefits described in Note 4, the City provides postemployment health care benefits, as authorized by IC 5-10-8, to retired police officers and firefighters who reach normal retirement age while working for the City. The retirees must pay the employee and employer assessments to remain eligible. Currently, eighty-nine retirees meet these eligibility requirements. Expenditures for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 1999, expenditures of \$336,375 were recognized for postemployment benefits.

Note 17. Restatements and Reclassifications

For the year ended December 31, 1999, certain changes have been made to the financial statements to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances by fund type. Prior period adjustments include an increase for previously omitted receivables in the General Fund, an increase for previously omitted loans receivable in the Community Development Fund, an increase for previously omitted property held for resale in the Tax Incremental Financing-Sample/Ewing Fund, and various corrections to fixed assets and accumulated depreciation in the Wastewater Utility.

<u>Fund Type</u>	<u>Balance As Reported December 31, 1998</u>	<u>Fund Reclassification</u>	<u>Prior Period Adjustments</u>	<u>Balance As Restated January 1, 1999</u>
General	\$ 13,245,430	\$ --	\$ 292,885	\$ 13,538,315
Special Revenue	16,840,699	3,226	123,438	16,967,363
Capital Projects	33,321,063	--	1,866,398	35,187,461
Enterprise	52,921,675	(3,226)	86,461	53,004,910

Note 18. Defeasance of Bonds

In prior years, the City defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 1999, \$15,630,000 of bonds outstanding are considered defeased.

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 19. Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. At December 31, 1999, these properties had an approximate market value of \$7,775,000 and are recognized as assets in the funds that purchased the property.

Note 20. Construction Work in Progress

The following projects are included in construction work in progress as of December 31, 1999:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended</u>	<u>Committed</u>	<u>Required Future Funding</u>
Enterprise Funds:				
Water Utility:				
North Station	\$ 7,921,718	\$ 7,921,718	\$ --	\$ --
Olive Street Well Renovation	1,227,794	1,227,794	--	--
Elevated Tank Site	2,100,000	113,973	1,986,027	--
Wellhead Protection Study	231,735	95,024	136,711	--
Olive Street Well Phase II	2,510,000	27,000	--	2,483,000
Pinhook Filtration Plant	5,088,195	5,088,195	--	--
Main Extensions	900,000	116,667	783,333	--
Other Projects	79,849	79,669	180	--
Wastewater Utility:				
Secondary Clarifier	5,529,000	2,625,982	46,556	2,856,462
Storm Water Management	973,578	973,578	--	--
Headworks	11,200,000	3,074,676	--	8,125,324
Sewer Lining Program	1,217,582	744,350	473,232	--
Blower and Engine	2,494,000	169,644	--	2,324,356
Other Projects	1,865,361	544,069	1,321,292	--
Century Center:				
Convention Hall Carpeting	<u>131,050</u>	<u>62,813</u>	<u>68,237</u>	<u>--</u>
Total Enterprise	<u>\$ 43,469,862</u>	<u>\$ 22,865,152</u>	<u>\$ 4,815,568</u>	<u>\$ 15,789,142</u>
General Fixed Assets:				
Family Acquatics Facility	\$ 67,000	\$ 49,544	\$ 17,456	\$ --
Hydroelectric Generator Installation	50,000	24,110	25,890	--
Parking Garage-Leighton Plaza	13,967,338	12,352,265	1,615,073	--
Morris Performing Arts Center	16,034,208	10,836,442	5,197,766	--
Tree Crew Storage Barn	47,500	43,500	4,000	--
Kennedy Park Water Playground	815,360	764,054	51,306	--
O'Brien Administration Center	731,405	322,539	408,866	--
Riverwalk Feasibility Study	88,000	85,600	2,400	--
Animal Control Improvements	<u>130,000</u>	<u>5,015</u>	<u>124,985</u>	<u>--</u>
Total General Fixed Assets	<u>\$ 31,930,811</u>	<u>\$ 24,483,069</u>	<u>\$ 7,447,742</u>	<u>\$ --</u>

CITY OF SOUTH BEND, INDIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 20. Construction Work in Progress (Continued)

The City also has several infrastructure improvement contracts not completed as of December 31, 1999. For these projects, the total project authorization is approximately \$5,331,061 and the total expended as of December 31, 1999, is \$1,857,648. The required future funding for these projects has been committed.

Note 21. Contingencies

There are several lawsuits pending in which the City is involved. The City Attorney estimates that the potential claims against the City do not exceed the retained earnings reserved for claims, \$1,131,839, of the Liability Premium Reserve Fund as of December 31, 1999, and would not materially affect the financial statement of the City.

Note 22. Subsequent Events

During 1998, the Common Council passed a resolution authorizing issuance of bonds to finance certain improvements to the Studebaker National Museum. The City's portion is not to exceed \$5,000,000. The issuance of the bonds is contingent upon a nonprofit organization's fundraising efforts to raise \$5,000,000 towards the cost of the improvements.

On February 28, 2000, the Common Council passed an ordinance authorizing issuance of revenue bonds, not to exceed \$2,600,000, for waterworks improvements.

On April 10, 2000, the Board of Works approved an agreement for professional services for designing a new public works service center. Estimated cost is \$7,500,000 and financing is anticipated through a lease-agreement with a nonprofit building corporation.

CITY OF SOUTH BEND
REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Funding Progress

Public Employee's Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-97	\$ 20,685,486	\$ 17,348,326	\$ 3,337,160	119%	\$ 20,840,191	16.01%
07-01-98	22,715,093	18,807,392	3,907,701	121%	21,525,356	18.15%
07-01-99	25,691,905	20,155,796	5,536,109	127%	22,171,117	24.97%

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-94	\$ 1,250,886	\$ *	\$ *	*	\$ 2,212,532	*
01-01-95	1,360,892	*	*	*	2,157,262	*
01-01-96	1,435,360	*	*	*	1,984,250	*
01-01-97	1,531,332	78,865,547	(77,334,215)	2%	1,736,133	4,543%
01-01-98	1,205,205	82,300,775	(81,095,570)	1%	1,590,417	5,099%
01-01-99	833,900	72,131,400	(71,297,500)	1%	1,497,063	4,762%

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-94	\$ 1,566,570	\$ *	\$ *	*	\$ 2,483,490	*
01-01-95	1,504,053	*	*	*	2,265,945	*
01-01-96	1,352,098	*	*	*	2,156,483	*
01-01-97	1,262,113	78,938,487	(77,676,374)	2%	2,175,583	3,570%
01-01-98	949,387	78,614,583	(77,665,196)	1%	2,027,817	3,830%
01-01-99	912,070	60,701,100	(59,789,030)	2%	1,893,973	3,157%

*Information not available.

CITY OF SOUTH BEND, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

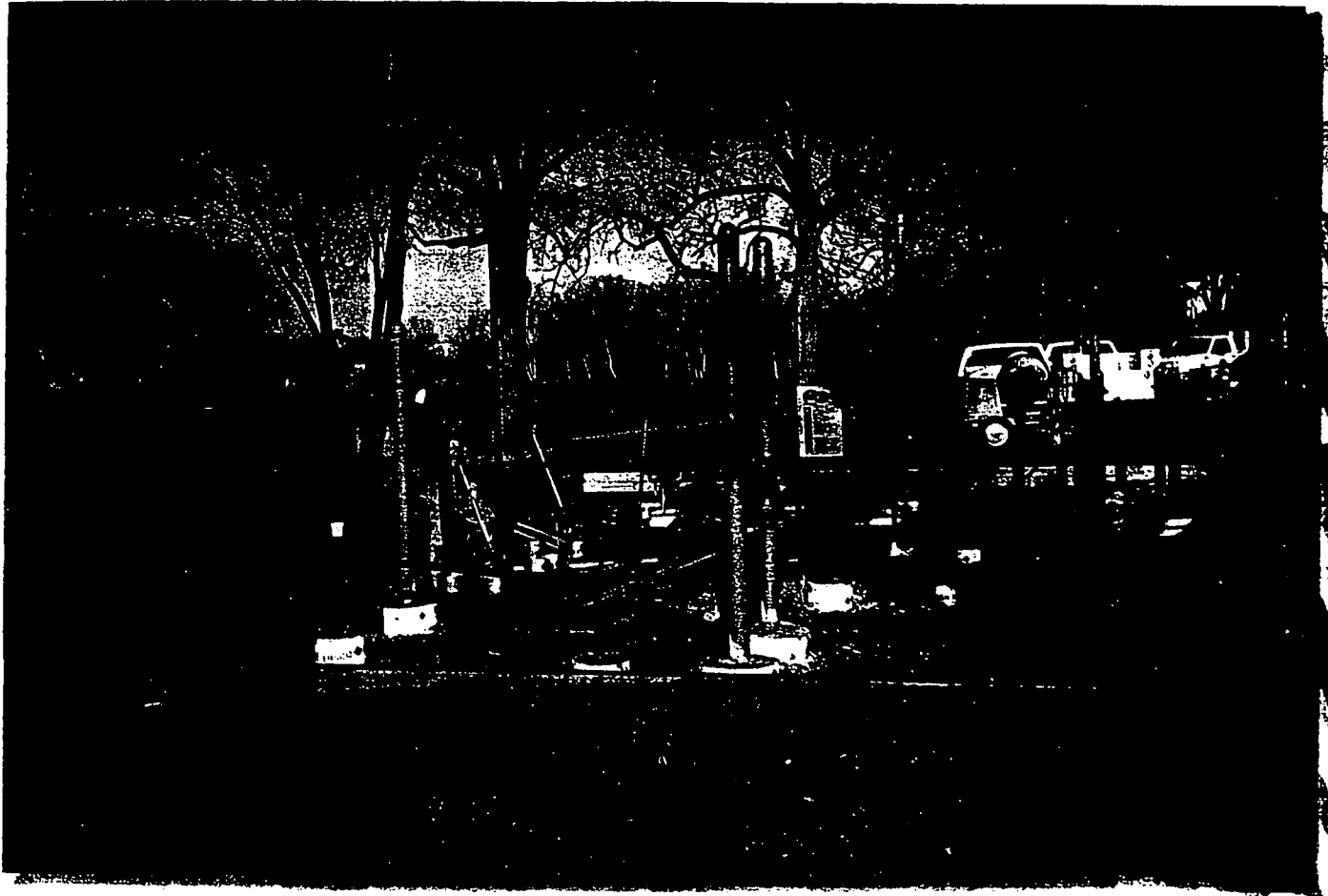
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
AND OTHER CONTRIBUTING ENTITY

Actuarial Valuation Date	Employer Contributions			
	1925 Police Pension Fund		1937 Firefighters' Pension Fund	
	Annual Required Contributions	Percentage Contributed	Annual Required Contributions	Percentage Contributed
01-01-94	\$ *	*	\$ *	*
01-01-95	*	*	*	*
01-01-96	*	*	*	*
01-01-97	6,412,100	51%	6,427,100	56%
01-01-98	7,559,100	47%	7,617,700	50%
01-01-99	7,993,300	47%	7,731,700	48%

*Information not available.

Information will be provided on a prospective basis until a minimum of six years' data is presented.

INVESTING IN OUR NEIGHBORHOODS



The commitment to reinvesting in South Bend neighborhoods is the cornerstone for South Bend's future. Strong neighborhoods are being built through the Good Neighbors/Good Neighborhoods program. Using Community Development Block Grant funds, HOME dollars, CEDIT and COIT, as well as General Fund dollars, over the past five years we have returned almost \$30 million to our neighborhoods for programs and projects above and beyond standard city services. This includes support for housing programs and social service agencies. It funds the Neighborhood Partnership Centers and the curb/sidewalk program, provides after school programs and traffic calming, Building Block Grants, and supplemental police walking and bike patrols.

GENERAL FUND

The General Fund is used to account for all financial resources of the City of South Bend except those required to be accounted for in another fund.

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For The Year Ended December 31, 1999

Function and Department	Amended Budget	Actual	Variance Favorable (Unfavorable)
General Government:			
Mayor			
Personal Services	\$ 320,472	\$ 292,489	\$ 27,983
Supplies	14,520	10,326	4,194
Other Services and Charges	81,529	61,634	19,895
Other Uses	325	325	-
Community Affairs			
Personal Services	87,324	82,997	4,327
Supplies	1,700	424	1,276
Other Services and Charges	50,613	44,608	6,005
Other Uses	86	86	-
City Clerk			
Personal Services	178,398	176,872	1,526
Supplies	11,700	9,285	2,415
Other Services and Charges	55,135	29,086	26,049
Capital	11,000	10,850	150
Other Uses	200	200	-
Common Council			
Personal Services	179,680	178,435	1,245
Supplies	3,000	540	2,460
Other Services and Charges	216,237	178,306	37,931
Other Uses	204	204	-
Controller			
Personal Services	816,720	736,959	79,761
Supplies	35,076	23,794	11,282
Other Services and Charges	409,328	287,129	122,199
Capital Outlay	2,056,280	1,948,502	107,778
Other Uses	2,267	2,267	-
City Attorney			
Personal Services	519,636	470,613	49,023
Supplies	16,242	12,878	3,364
Other Services and Charges	39,967	37,785	2,182
Other Uses	458	458	-

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For The Year Ended December 31, 1999
(Continued)

<u>Function and Department</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (Continued):			
Building Maintenance			
Personal Services	\$ 156,020	\$ 139,684	\$ 16,336
Supplies	40,319	40,072	247
Other Services and Charges	357,575	280,082	77,493
Capital Outlay	78,400	58,884	19,516
Other Uses	377	377	-
Human Rights			
Personal Services	182,593	175,233	7,360
Supplies	6,295	4,595	1,700
Other Services and Charges	37,441	19,483	17,958
Other Uses	179	179	-
Neighborhood Code Enforcement			
Personal Services	573,230	557,960	15,270
Supplies	135,870	129,798	6,072
Other Services and Charges	138,596	136,481	2,115
Capital	72,000	70,496	1,504
Other Uses	1,115	1,115	-
Code Hearing Officer			
Other Services and Charges	49,175	49,175	-
Total General Government	6,937,282	6,260,666	676,616
Public Safety:			
Board of Safety			
Other Services and Charges	10,200	10,200	-
Communication Bureau			
Supplies	11,782	11,325	457
Police Department			
Personal Services	14,639,626	14,067,009	572,617
Supplies	507,625	425,268	82,357

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
 GENERAL FUND
 For The Year Ended December 31, 1999
 (Continued)

Function and Department	Amended Budget	Actual	Variance Favorable (Unfavorable)
Highways and Streets (Continued):			
Engineering (Continued)			
Other Services and Charges	\$ 3,211,250	\$ 3,006,543	\$ 204,707
Capital Outlay	135,720	45,462	90,258
Other	1,087,168	836,823	250,345
Total Highways and Streets	6,141,972	5,433,374	708,598
Health and Welfare:			
Youth Service Bureau			
Other Services and Charges	60,000	60,000	-
Culture and Recreation:			
S.B. Regional Art Museum			
Other Services and Charges	65,000	65,000	-
Studebaker Museum			
Other Services and Charges	183,000	178,205	4,795
Hall of Fame			
Other Services and Charges	450,000	450,000	-
Morris Civic			
Personal Services	179,501	153,650	25,851
Supplies	16,200	12,969	3,231
Other Services and Charges	134,012	97,907	36,105
Capital Outlay	58,819	58,652	167
Other	229	229	-
Total Culture and Recreation	1,086,761	1,016,612	70,149
Urban Development and Housing:			
Economic Development			
Other Services and Charges	376,911	346,832	30,079
Unsafe Building			
Other Services and Charges	250,112	246,976	3,136
Total Urban Development and Housing	627,023	593,808	33,215
Total General Fund	\$ 48,942,355	\$ 46,083,161	\$ 2,859,194

INVESTING IN PUBLIC SAFETY



Sixty percent of the property taxes the City receives is spent on public safety. During Mayor Luecke's tenure as Mayor, the total investment for the Fire Department has been \$2,830,000. In the past year, local tax dollars have been used to purchase a new ambulance and a new pumper, firefighter turnout gear and equipment, refurbish a Quint fire truck, and construct Fire Station 10. This investment has paid off, as evidenced by recent notification that we have retained an ISO rating of 3 for our Fire Department, keeping South Bend among the highest rated departments in the state.

Our investment in vehicles, vests, guns and technology for the Police Department totals almost \$5.5 million in the last three years. The take home car program, started in 1996, has had significant positive results for the officers and the community. From 1996 - 2001, we have received or qualified for almost \$6,000,000 in State and Federal Law Enforcement grants to help pay for equipment and for targeted public safety programs. Commitment to continued investments provides our officers the proper tools to keep them safe and allows them to do their best to serve and protect South Bend as they work in partnership with the community.

SPECIAL REVENUE FUNDS

Park and Recreation -	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.
Recreation Nonreverting -	To account for fees and related expenses from park department activities.
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.
Housing Maintenance -	To account for a loan program financed by monies from the Housing Authority which are paid in lieu of property taxes. The loans may be for external maintenance needs of single-family rental units owned by the Housing Authority.
Redevelopment 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.
Community Development -	To account for revenues received from the U.S. Department of Housing and Urban Development related to community improvement.
Police Federal Grant -	To account for expenditures relating to federal and state grants.
Accident Report -	To account for police department expenditures related to the keeping of accident reports and records for the prevention of street and highway accidents. Financing is provided by fees charged for furnishing accident reports.
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.
Build Indiana -	To account for state grants used to finance various projects.
General Grant -	To account for grants and donations used solely for the purposes specified in the grant application or by the donor.
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.
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.
Special Events -	To account for revenues and expenditures relating to the operation of special events sponsored or organized by the City.

SPECIAL REVENUE FUNDS
(Continued)

Law Enforcement Grant -	To account for a federal grant used to finance police activities.
Economic Development Revenue Bonds -	To account for administrative expenditures of the Economic Development Commission. Financing is provided by fees from businesses applying for Economic Development Revenue Bonds.
Haz-Mat -	To account for monies generated by the South Bend Fire Department's response to hazardous materials incidents. Funds are used to purchase, repair, or replace haz-mat equipment, or for training and supplies.
Firearms Training -	To account for police department expenditures related to training law enforcement officers in the proper use of firearms and other law enforcement duties. Financing is provided by handgun application fees.
Indiana River Rescue -	To account for expenditures related to river rescue training. Financing is provided by registration fees.
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.
C.O.P.S. Grant -	To account for a federal grant which provides financing for police activities.
C.O.P.S. More Grant -	To account for expenditures relating to a federal grant which provides financing for the hiring of additional police.
Federal Drug Enforcement -	To account for expenditures for drug enforcement. Financing is provided by distributions from the authorized federal agencies' confiscated property sale.
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.
Law Enforcement Continuing Education -	To account for court fees used for the continuing education and training of law enforcement officers.
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.
Friends of the College Football Hall of Fame	To account for donations received by the Friends of the College Football Hall of Fame, Inc., a nonprofit corporation formed to solicit donations for the benefit of the City's College Football Hall of Fame.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 1999

Assets	Park and Recreation	Recreation Nonreverting	Motor Vehicle Highway	Housing Maintenance	Redevelopment State Grants	Community Development	Police Federal Grant	Accident Report
Cash and Cash Equivalents	\$ 2,018,916	\$ 249,378	\$ 1,001,852	\$ 100,000	\$ 171,790	\$ 1,648,998	\$ 1	\$ 89,331
Interest Receivable on Investments	-	50	200	-	456	7,640	-	-
Taxes Receivable	531,770	-	-	-	-	-	-	-
Accounts Receivable	139,300	-	-	-	-	393	-	-
Intergovernmental Receivable	-	-	8,940	-	-	67,392	-	-
Loans Receivable	-	-	-	-	-	2,105,073	-	-
Due From Other Funds	-	-	-	-	-	11,484	-	-
Materials and Supplies Inventory	68,858	-	-	-	-	-	-	-
Property Held For Resale	-	-	-	-	-	1,084,763	-	-
Total Assets	\$ 2,758,844	\$ 249,428	\$ 1,010,792	\$ 100,000	\$ 172,246	\$ 4,925,743	\$ 1	\$ 89,331

Liabilities and Fund Balances

Liabilities:	\$	109,835	\$	12,480	\$	2,663	\$	-	\$	143,937	\$	-	\$	2,878
Accounts Payable		158,647		-		101,836		-		55,866		-		-
Payroll Payable		-		-		-		-		194,421		-		-
Contracts Payable		-		-		-		-		27,949		-		935
Due to Other Funds		27,340		-		471		-		-		-		-
Taxes Payable		2,128		-		-		-		-		-		-
Interfund Payable		11,780		-		-		-		52,666		-		-
Other Payables		1,115		-		-		-		-		-		-
Deferred Revenue		531,770		-		-		-		-		-		-
Total Liabilities		842,615		12,480		104,970		-		474,839		-		3,813
Fund Balances:														
Reserved for Encumbrances		323,472		-		22,469		-		19,242		-		-
Reserved for Noncurrent		-		-		-		-		1,908,118		-		-
Loans Receivable		68,858		-		-		-		-		-		-
Reserved for Inventory		-		-		-		-		1,084,763		-		-
Reserved for Property Held for Resale		-		-		-		-		-		-		-
Total Reserved Fund Balances		392,330		-		22,469		-		3,012,123		-		-
Unreserved:														
Undesignated		1,523,899		236,948		883,353		100,000		172,246		1		85,518
Total Fund Balances		1,916,229		236,948		905,822		100,000		172,246		1		85,518
Total Liabilities and Fund Balances		\$ 2,758,844		\$ 249,428		\$ 1,010,792		\$ 100,000		\$ 172,246		\$ 1		\$ 89,331

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 1999
(Continued)

Assets	State Seizure	Juvenile Positive Assistance	Build Indiana	General Grant	Local Road and Street	Human Rights - Federal	East Race Waterway	Special Events
Cash and Cash Equivalents	\$ 17,210	\$ 29,698	\$ 1	\$ 50,000	\$ 4,975,036	\$ 164,526	\$ 70,284	\$ 94,643
Interest Receivable on Investments	-	-	-	-	12,237	-	17	25
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Intergovernmental Receivable	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-
Materials and Supplies Inventory	-	-	-	-	-	2,466	-	-
Property Held For Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 17,210	\$ 29,698	\$ 1	\$ 50,000	\$ 4,987,273	\$ 166,992	\$ 70,301	\$ 94,668
<u>Liabilities and Fund Balances</u>								
<u>Liabilities:</u>								
Accounts Payable	\$ -	\$ 1,425	\$ -	\$ -	\$ -	\$ 564	\$ 1,985	\$ -
Payroll Payable	-	-	-	-	-	1,938	-	-
Contracts Payable	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	79,746	-	-	-
Taxes Payable	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	1,425	-	-	79,746	2,502	1,985	-
<u>Fund Balances:</u>								
Reserved for Encumbrances	-	-	-	-	40,582	148	-	13,300
Reserved for Noncurrent	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Property Held for Resale	-	-	-	-	-	-	-	-
Total Reserved Fund Balances	-	-	-	-	40,582	148	-	13,300
<u>Unreserved:</u>								
Undesignated	17,210	28,273	1	50,000	4,866,945	164,342	68,316	81,368
Total Fund Balances	17,210	28,273	1	50,000	4,907,527	164,490	68,316	94,668
Total Liabilities and Fund Balances	\$ 17,210	\$ 28,698	\$ 1	\$ 50,000	\$ 4,987,273	\$ 166,992	\$ 70,301	\$ 94,668

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 1999
(Continued)

Assets	Law Enforcement Grant	Economic Development Revenue Bonds	Haz-Mat	Firearms Training	Indiana River Rescue	Regional Police Academy	C.O.P.S. Grant	C.O.P.S. More Grant
Cash and Cash Equivalents	\$ 410,712	\$ 13,588	\$ 16,632	\$ 43,098	\$ 22,771	\$ 8,997	\$ 39,485	\$ -
Interest Receivable on Investments	912	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Intergovernmental Receivable	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-
Materials and Supplies Inventory	-	-	-	-	-	-	-	-
Property Held For Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 411,624	\$ 13,588	\$ 16,632	\$ 43,098	\$ 22,771	\$ 8,997	\$ 39,485	\$ -

Liabilities and Fund Balances

Liabilities:

Accounts Payable	\$ 1,342	\$ -	\$ -	\$ -	\$ -	\$ 73	\$ -	\$ -
Payroll Payable	-	-	-	-	-	-	-	-
Contracts Payable	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Taxes Payable	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Total Liabilities	1,342	-	-	-	-	73	-	-

Fund Balances:

Reserved for Encumbrances	2,070	-	2,225	-	940	-	39,485	-
Reserved for Noncurrent Loans Receivable	-	-	-	-	-	-	-	-
Reserved for Inventory	-	-	-	-	-	-	-	-
Reserved for Property Held for Resale	-	-	-	-	-	-	-	-
Total Reserved Fund Balances	2,070	-	2,225	-	940	-	39,485	-

Unreserved:

Undesignated	408,212	13,588	14,407	43,098	21,831	8,924	-	-
Total Fund Balances	410,282	13,588	16,632	43,098	22,771	8,924	39,485	-
Total Liabilities and Fund Balances	\$ 411,624	\$ 13,588	\$ 16,632	\$ 43,098	\$ 22,771	\$ 8,997	\$ 39,485	\$ -

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 1999
(Continued)

Assets	Federal Drug Enforcement	Urban Development Action Grant	Leaf Collection and Removal	Law Enforcement Continuing Education	Industrial Revolving	Friends of the College Football Hall of Fame	Totals
Cash and Cash Equivalents	\$ 213,400	\$ 141,355	\$ 25,105	\$ 37,988	\$ 1,614,953	\$ 3,000	\$ 13,272,548
Interest Receivable on Investments	1,737	456	--	--	--	--	23,730
Taxes Receivable	--	--	--	--	--	--	531,770
Accounts Receivable	--	--	6,075	--	--	530	146,298
Intergovernmental Receivable	--	--	--	--	--	--	76,332
Loans Receivable	--	1,057,547	--	--	5,617,918	--	8,780,538
Due From Other Funds	--	--	--	--	--	--	13,950
Materials and Supplies Inventory	--	--	--	--	--	--	68,858
Property Held For Resale	--	--	--	--	--	--	1,084,763
Total Assets	\$ 215,137	\$ 1,199,358	\$ 31,180	\$ 37,988	\$ 7,232,871	\$ 3,530	\$ 23,998,787

Liabilities and Fund Balances

Liabilities:

Accounts Payable	\$ --	\$ 16,570	\$ --	\$ --	\$ 896	\$ --	\$ 294,648
Payroll Payable	--	--	--	--	--	--	318,287
Contracts Payable	--	--	--	--	--	--	274,167
Due to Other Funds	--	761	--	--	10,723	--	68,179
Taxes Payable	--	--	--	--	--	--	2,128
Interfund Payable	--	--	--	--	--	--	11,780
Other Payables	--	--	--	--	--	1,000	54,781
Deferred Revenue	--	--	--	--	--	--	531,770
Total Liabilities	--	17,331	--	--	11,619	1,000	1,555,740

Fund Balances:

Reserved for Encumbrances	--	40,755	200	--	--	--	504,888
Reserved for Noncurrent	--	--	--	--	--	--	--
Loans Receivable	--	802,808	--	--	4,201,987	--	6,912,913
Reserved for Inventory	--	--	--	--	--	--	68,858
Reserved for Property Held for Resale	--	--	--	--	--	--	1,084,763
Total Reserved Fund Balances	--	843,563	200	--	4,201,987	--	8,671,422

Unreserved:

Undesignated	215,137	338,484	30,980	37,988	3,019,285	2,530	13,871,825
Total Fund Balances	215,137	1,182,027	31,180	37,988	7,221,252	2,530	22,443,047

Total Liabilities and Fund Balances

\$ 215,137	\$ 1,199,358	\$ 31,180	\$ 37,988	\$ 7,232,871	\$ 3,530	\$ 23,998,787
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CITY OF SOUTH BEND, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
 IN FUND BALANCES - SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 1999

Revenues:	Park and Recreation	Recreation Nonreverting	Motor Vehicle Highway	Housing Maintenance	Redevelopment State Grants	Community Development	Police Federal Grant	Accident Report
Taxes	\$ 6,566,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,013,624	-	-	4,354,334	118,220	21,033
Charges for Services	2,528,530	426,886	8,940	-	-	563,879	-	21,627
Fines and Forfeits	-	-	-	-	-	-	-	-
Interest	11,667	2,893	14,615	-	5,753	111,216	-	-
Donations	8,000	-	-	-	-	-	-	25,546
Miscellaneous	53,791	-	33,532	-	-	92,938	-	67,805
Total Revenues	9,168,833	429,779	3,070,711	-	5,753	5,122,367	118,220	136,011
Expenditures:								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	112,429	106,458
Highways and Streets	-	-	3,099,891	-	-	-	-	-
Culture and Recreation	9,045,861	355,162	-	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	60,000	5,783,121	-	-
Total Expenditures	9,045,861	355,162	3,099,891	-	60,000	5,783,121	112,429	106,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,972	74,617	(29,180)	-	(54,247)	(660,754)	5,791	29,553
Other Financing Sources:								
Operating Transfers In	-	-	-	-	-	641,378	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	2,388,413	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	122,972	74,617	(29,180)	-	(54,247)	2,369,037	5,791	29,553
Fund Balances - January 1	1,793,257	162,331	935,002	100,000	226,493	2,081,867	(5,790)	55,965
Fund Balances - December 31	\$ 1,916,229	\$ 236,948	\$ 905,822	\$ 100,000	\$ 172,246	\$ 4,450,904	\$ 1	\$ 85,518

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CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999
(Continued)

Revenues:	State Seizure	Juvenile Positive Assistance	Build Indiana	General Grant	Local Road and Street	Human Rights - Federal	East Race Waterway	Special Events
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	4,926,567	222,715	-	-
Fines and Forfeits	-	-	-	-	-	-	6,836	59,662
Interest	56,453	7,470	-	-	-	-	-	-
Donations	-	-	-	-	116,300	-	1,655	1,464
Miscellaneous	-	-	-	50,000	-	-	9,663	24,179
	-	-	-	-	-	-	-	57,829
Total Revenues	56,453	7,470	-	50,000	5,042,867	222,715	18,154	143,134
Expenditures:								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	63,513	1,425	-	-	-	87,344	-	-
Highways and Streets	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	2,504,137	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-	-	15,312	101,157
Total Expenditures	63,513	1,425	-	-	2,504,137	87,344	15,312	101,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,060)	6,045	-	50,000	2,538,730	135,371	2,842	41,977
Other Financing Sources:								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(7,060)	6,045	-	50,000	2,538,730	135,371	2,842	41,977
Fund Balances - January 1	24,270	22,228	1	-	2,368,797	29,119	65,474	52,691
Fund Balances - December 31	\$ 17,210	\$ 28,273	\$ 1	\$ 50,000	\$ 4,907,527	\$ 164,490	\$ 68,316	\$ 94,668

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Law Enforcement Grant	Economic Development Revenue Bonds	Haz-Mat	Firearms Training	Indiana River Rescue	Regional Police Academy	C.O.P.S. Grant	C.O.P.S. More Grant
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	10,145	-	-	-	-
Intergovernmental	426,969	-	-	-	-	-	457,714	-
Charges for Services	-	4,050	4,117	-	19,700	9,124	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-
Interest	15,264	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	407	-	-	802
Total Revenues	442,233	4,050	4,117	10,145	20,107	9,124	457,714	802
Expenditures:								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	397,818	-	21,981	-	19,197	10,018	457,139	48,980
Highways and Streets	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-	-	-	-
Total Expenditures	397,818	-	21,981	-	19,197	10,018	457,139	48,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,415	4,050	(17,864)	10,145	910	(894)	575	(48,178)
Other Financing Sources:								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	44,415	4,050	(17,864)	10,145	910	(894)	575	(48,178)
Fund Balances - January 1	365,867	9,538	34,496	32,953	21,861	9,818	38,910	48,178
Fund Balances - December 31	\$ 410,282	\$ 13,588	\$ 16,632	\$ 43,098	\$ 22,771	\$ 8,924	\$ 39,485	\$ -

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999
(Continued)

Revenues:	Federal Drug Enforcement	Urban Development Action Grant	Leaf Collection and Removal	Law Enforcement Continuing Education	Industrial Revolving	Friends of the College Football Hall of Fame	Totals
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,566,845
Licenses and Permits	-	-	-	-	-	-	10,145
Intergovernmental	68,266	-	-	-	-	-	13,609,442
Charges for Services	-	-	83,402	-	-	-	3,736,753
Fines and Forfeits	-	-	-	12,384	-	-	76,307
Interest	8,001	7,854	-	-	386,696	775	684,153
Donations	-	-	-	-	-	100,000	217,388
Miscellaneous	361	28,800	-	-	36,251	19,427	391,943
Total Revenues	76,628	36,654	83,402	12,384	422,947	120,202	25,292,976
Expenditures:							
Current:							
General Government	-	-	-	-	-	-	87,344
Public Safety	64,879	-	-	3,159	-	-	1,306,996
Highways and Streets	-	-	79,884	-	-	-	5,683,912
Culture and Recreation	-	-	-	-	-	20,898	9,538,390
Urban Redevelopment and Housing	-	192,077	-	-	95,243	-	6,130,441
Total Expenditures	64,879	192,077	79,884	3,159	95,243	20,898	22,747,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,749	(155,423)	3,518	9,225	327,704	99,304	2,545,893
Other Financing Sources:							
Operating Transfers In	-	-	-	-	-	-	641,378
Operating Transfers Out	-	-	-	-	-	(100,000)	(100,000)
Loan Proceeds	-	-	-	-	-	-	2,388,413
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	11,749	(155,423)	3,518	9,225	327,704	(696)	5,475,684
Fund Balances - January 1	203,388	1,337,450	27,662	28,763	6,893,548	3,226	16,967,363
Fund Balances - December 31	\$ 215,137	\$ 1,182,027	\$ 31,180	\$ 37,988	\$ 7,221,252	\$ 2,530	\$ 22,443,047

CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BASIS) - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999

	Park and Recreation			Recreation Nonreverting			Motor Vehicle Highway		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ 6,584,328	\$ 6,568,845	\$ (17,484)	\$ -	\$ -	\$ -	\$ 2,733,800	\$ 3,013,824	\$ 279,824
Intergovernmental	-	25,538	25,538	-	-	-	-	-	-
Charges for Services	2,420,650	2,407,201	(13,449)	342,553	437,012	94,459	12,360	-	(12,360)
Fines and Forfeits	2,500	4,350	1,850	-	-	-	-	-	-
Interest	25,000	11,687	(13,313)	-	2,844	2,844	18,000	14,415	(3,585)
Donations	-	5,228	5,228	-	-	-	-	-	-
Miscellaneous	67,900	76,111	8,211	-	-	-	-	33,532	33,532
Total Revenues	9,100,378	9,068,838	(3,441)	342,553	439,856	97,303	2,764,160	3,061,571	297,411
Expenditures:									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	2,816,248	2,656,850	159,398
Supplies	-	-	-	-	-	-	223,053	175,976	47,077
Other Services and Charges	-	-	-	-	-	-	244,167	219,683	24,484
Other Uses	-	-	-	-	-	-	72,835	72,835	-
Capital	-	-	-	-	-	-	-	-	-
Total Highways and Streets	-	-	-	-	-	-	3,356,303	3,125,444	230,859
Culture and Recreation	5,337,431	5,266,049	71,382	184,668	180,488	4,177	-	-	-
Personal Services	1,301,011	1,123,081	177,930	83,068	79,205	3,863	-	-	-
Supplies	1,689,503	1,583,533	105,970	109,285	99,694	9,591	-	-	-
Other Services and Charges	1,870,307	1,399,471	470,836	-	-	-	-	-	-
Capital Outlay	187,845	187,845	-	-	-	-	-	-	-
Total Culture and Recreation	10,398,097	9,569,979	828,118	377,019	359,388	17,631	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Urban Redevelopment and Housing	-	-	-	-	-	-	-	-	-
Total Expenditures	10,398,097	9,569,979	828,118	377,019	359,388	17,631	3,356,303	3,125,444	230,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,295,718)	(473,041)	822,677	(34,466)	80,468	114,934	(582,143)	(63,873)	528,270
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,295,718)	(473,041)	822,677	(34,466)	80,468	114,934	(582,143)	(63,873)	528,270
Fund Balances - January 1	2,046,193	2,046,193	-	185,503	185,503	-	1,039,751	1,039,751	-
Fund Balances (Deficit) - December 31	\$ 750,475	\$ 1,573,152	\$ 822,677	\$ 131,037	\$ 245,971	\$ 114,934	\$ 447,608	\$ 975,878	\$ 528,270

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CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BASIS) - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1988
(Continued)

	Redevelopment State Grants			Community Development			Local Road and Street		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,733,653	\$ 2,426,567	\$ 692,914
Intergovernmental	-	-	-	2,569,390	3,826,203	1,356,813	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines and Foreills	-	-	-	11,500	11,253	(247)	-	-	-
Interest	-	5,287	5,287	22,400	96,051	73,651	-	104,062	104,062
Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	257,691	257,691	-	2,500,000	2,500,000
Total Revenues	-	5,287	5,287	2,803,280	4,281,188	1,687,908	1,733,653	5,030,629	3,296,976
Expenditures:									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	4,125,712	3,400,713	724,999
Total Highways and Streets	-	-	-	-	-	-	4,125,712	3,400,713	724,999
Culture and Recreation	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-	-	-	-	-
Personal Services	-	-	-	1,815,764	1,669,753	146,031	-	-	-
Supplies	-	-	-	67,898	52,877	15,021	-	-	-
Other Services and Charges	88,374	60,000	28,374	1,482,025	650,319	831,706	-	-	-
Capital Outlay	-	-	-	1,381,806	658,788	523,008	-	-	-
Other	-	-	-	8,359,806	4,140,557	2,219,049	-	-	-
Total Urban Redevelopment and Housing	88,374	60,000	28,374	11,107,119	7,372,304	3,734,815	-	-	-
Total Expenditures	88,374	60,000	28,374	11,107,119	7,372,304	3,734,815	4,125,712	3,400,713	724,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,374)	(54,703)	31,671	(8,503,839)	(3,081,106)	5,422,723	(2,392,056)	1,628,916	4,021,975
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	1,843,224	817,564	(1,025,660)	-	-	-
Loan Proceeds	-	-	-	-	2,368,413	2,368,413	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(88,374)	(54,703)	31,671	(6,660,605)	124,871	6,785,476	(2,392,056)	1,628,916	4,021,975
Fund Balances - January 1	228,493	228,493	-	351,544	351,544	-	2,404,993	2,404,993	-
Fund Balances (Deficit) - December 31	\$ 140,119	\$ 174,790	\$ 31,671	\$ (6,309,061)	\$ 476,415	\$ 6,785,476	\$ 17,934	\$ 4,034,909	\$ 4,021,975

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CITY OF SOUTH BEND, INDIANA

Fund Balances (Deficit) - December 31

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COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BASIS) - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Indiana River Rescue			Urban Development Action Grant		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	19,700	19,700	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Interest	-	-	-	-	7,399	7,399
Donations	-	-	-	-	-	-
Miscellaneous	-	407	407	-	28,800	28,800
Total Revenues	-	20,107	20,107	-	36,199	36,199
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Capital	21,570	20,137	1,433	-	-	-
Highways and Streets	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total Highways and Streets	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	347,853	285,919	51,934
Capital Outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Urban Redevelopment and Housing	-	-	-	347,853	285,919	51,934
Total Expenditures	21,570	20,137	1,433	347,853	285,919	51,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,570)	(30)	21,540	(347,853)	(259,720)	88,133
Other Financing Sources (Uses):						
Operating Transfers In	-	-	-	-	52,633	52,633
Loan Proceeds	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(21,570)	(30)	21,540	(347,853)	(207,087)	140,766
Fund Balances - January 1	21,881	21,881	-	280,357	280,357	-
Fund Balances (Deficit) - December 31	\$ 291	\$ 21,851	\$ 21,540	\$ (57,496)	\$ 83,270	\$ 140,766

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BASIS) - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Leaf Collection and Removal			Variance Favorable (Unfavorable)	Total		Variance Favorable (Unfavorable)	
	Amended Budget	Actual			Amended Budget	Actual		
Revenues:								
Taxes	\$	-	\$	-	\$	12,007,038	\$	955,254
Intergovernmental	-	-	-	-	-	4,184,216	-	1,508,026
Charges for Services	-	-	-	-	-	2,979,826	-	83,763
Fines and Forfeits	83,497	83,402	(95)	(95)	87,487	89,005	1,508	
Interest	-	-	-	-	65,400	243,174	177,774	
Donations	-	-	-	-	-	5,226	-	5,226
Miscellaneous	-	-	-	-	91,400	2,941,622	-	2,850,222
Total Revenues	83,497	83,402	(95)	(95)	16,878,332	22,460,105	-	5,581,773
Expenditures:								
Current:								
General Government								
Personal Services	-	-	-	-	59,771	41,972	17,799	
Supplies	-	-	-	-	1,068	82	984	
Other Services and Charges	-	-	-	-	53,426	45,748	7,677	
Total General Government	-	-	-	-	114,262	87,802	26,460	
Public Safety								
Capital	-	-	-	-	46,977	44,343	2,634	
Highways and Streets								
Personal Services	50,096	38,724	11,372	2,685,344	2,685,674	170,670	170,670	
Supplies	4,500	4,451	49	227,553	180,427	47,126	47,126	
Other Services and Charges	36,200	36,063	117	280,367	255,766	24,601	24,601	
Other Uses	1,100	827	273	73,935	73,662	273	273	
Capital	-	-	-	4,125,712	3,400,713	724,999	724,999	
Total Highways and Streets	91,896	80,065	11,811	7,573,911	6,606,242	967,669	967,669	
Culture and Recreation								
Personal Services	-	-	-	5,525,153	5,447,723	77,430	77,430	
Supplies	-	-	-	1,393,989	1,210,735	183,254	183,254	
Other Services and Charges	-	-	-	1,914,933	1,788,050	126,883	126,883	
Capital Outlay	-	-	-	1,870,307	1,389,471	470,836	470,836	
Other	-	-	-	197,845	197,845	-	-	
Total Culture and Recreation	-	-	-	10,802,227	10,043,824	858,403	858,403	
Urban Redevelopment and Housing								
Personal Services	-	-	-	1,815,784	1,669,753	146,031	146,031	
Supplies	-	-	-	67,898	52,877	15,021	15,021	
Other Services and Charges	-	-	-	1,916,252	1,006,238	910,014	910,014	
Capital Outlay	-	-	-	1,381,806	858,788	523,008	523,008	
Other	-	-	-	6,359,608	4,140,557	2,219,049	2,219,049	
Total Urban Redevelopment and Housing	-	-	-	11,541,346	7,728,223	3,813,123	3,813,123	
Total Expenditures	91,896	80,065	11,811	30,176,723	24,510,434	6,666,289	6,666,289	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,399)	3,317	11,716	(13,300,391)	(2,050,329)	11,250,062	11,250,062	
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	1,643,224	870,197	(973,027)	(973,027)	
Loan Proceeds	-	-	-	-	2,388,413	2,388,413	2,388,413	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,399)	3,317	11,716	(11,457,167)	1,208,281	12,665,448	12,665,448	
Fund Balances - January 1	21,133	21,133	-	6,688,320	6,688,320	-	-	
Fund Balances (Deficit) - December 31	\$ 12,734	\$ 24,450	\$ 11,716	\$ (4,770,847)	\$ 7,894,601	\$ 12,665,448	\$ 12,665,448	

INVESTING IN EQUIPMENT



Proper equipment is essential to proper service, whether it's plowing snow, collecting trash, or responding to a heart attack. These are ongoing expenses which allow City employees to do their best. South Bend's Equipment Services Division is top notch at maintaining the fleet of 1,100 pieces of equipment, getting far beyond the expected life out of them and keeping them safe for our employees to operate. Equipment Services has accomplished this while maintaining the highest levels of environmental standards, recently receiving a five star rating from IDEM on the proper handling of potentially dangerous and waste materials. South Bend was one of just ten facilities in the state to receive this high honor.

DEBT SERVICE FUNDS

Tax Incremental Financing Bonds -

To accumulate monies for payment of Tax Incremental Revenue (TIF) Bonds of 1988 and the TIF Refinancing Bonds of 1992, which are serial bonds due in annual installments through 2005 and 2004, respectively. Also, to accumulate monies for the required reserve. Financing is provided by transfers from the Tax Incremental Financing - Downtown Fund (Capital Projects Fund).

Redevelopment Bond - Studebaker -

To accumulate monies for payment of Redevelopment District general obligation bonds, which are serial bonds due in annual installments through 2006. Financing is to be provided by an annual property tax levy.

Redevelopment District Bond -

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 for airport development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued for construction of Century Center improvements, and bonds issued for renovations to the Morris Performing Arts 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.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
December 31, 1999

Assets	Tax Incremental Financing Bonds	Redevelopment Bond - Studebaker	Redevelopment District Bond	South Bend Building Corporation Debt Service	Totals
Cash and Cash Equivalents	\$ 923,279	\$ 329,541	\$ 3,956,165	\$ 596	\$ 5,209,581
Investments	--	--	2,194,357	--	2,194,357
Interest Receivable	308	255	14,020	--	14,583
Taxes Receivable	--	42,915	--	--	42,915
Total Assets	\$ 923,587	\$ 372,711	\$ 6,164,542	\$ 596	\$ 7,461,436

Liabilities and Fund Balances

Liabilities:

Interfund Payable	\$ --	\$ 13,660	\$ --	\$ --	\$ 13,660
Deferred Revenue	--	42,915	--	--	42,915
Total Liabilities	--	56,575	--	--	56,575

Fund Balances:

Reserved for Debt Service

923,587	318,136	6,164,542	596	7,404,861
\$ 923,587	\$ 372,711	\$ 6,164,542	\$ 596	\$ 7,461,436

Total Liabilities and Fund Balances

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
IN FUND BALANCES - DEBT SERVICE FUNDS
For The Year Ended December 31, 1999

	Tax Incremental Financing Bonds	Redevelopment Bond - Studebaker	Redevelopment District Bond	South Bend Building Corporation Debt Service	Totals
Revenues:					
Taxes	\$ --	\$ 528,085	\$ --	\$ --	\$ 528,085
Interest	11,828	4,353	210,130	18	226,329
Miscellaneous	--	--	69,330	--	69,330
Total Revenues	11,828	532,438	279,460	18	823,744
Expenditures:					
Debt Service:					
Principal Retirement	650,000	465,000	1,005,000	65,194	2,185,194
Interest and Fiscal Charges	292,305	189,923	1,956,154	17,496	2,455,878
Total Expenditures	942,305	654,923	2,961,154	82,690	4,641,072
Deficiency of Revenues Under Expenditures	(930,477)	(122,485)	(2,681,694)	(82,672)	(3,817,328)
Other Financing Sources (Uses):					
Operating Transfers In	937,256	--	2,654,273	83,268	3,674,797
Operating Transfers Out	(85,498)	--	(342,631)	--	(428,129)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(78,719)	(122,485)	(370,052)	596	(570,660)
Fund Balances - January 1	1,002,306	438,621	6,534,594	--	7,975,521
Fund Balances - December 31	\$ 923,587	\$ 316,136	\$ 6,164,542	\$ 596	\$ 7,404,861

CITY OF SOUTH BEND, INDIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BASIS) - DEBT SERVICE FUNDS
 For The Year Ended December 31, 1999

	Tax Incremental Financing Bonds			Redevelopment Bond - Studebaker		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 530,376	\$ 528,693	\$ (1,683)
Interest	-	11,520	11,520	-	4,097	4,097
Total Revenues	-	11,520	11,520	530,376	532,790	2,414
Expenditures:						
Debt Service:						
Principal Retirement	650,000	650,000	-	465,000	465,000	-
Interest and Fiscal Charges	292,305	292,305	-	191,250	189,923	1,327
Total Expenditures	942,305	942,305	-	656,250	654,923	1,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(942,305)	(930,785)	11,520	(125,874)	(122,133)	3,741
Other Financing Sources:						
Operating Transfers In	937,256	937,256	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,049)	6,471	11,520	(125,874)	(122,133)	3,741
Fund Balances - January 1	1,002,306	1,002,306	-	452,281	452,281	-
Fund Balances - December 31	\$ 987,257	\$ 1,008,777	\$ 11,520	\$ 326,407	\$ 330,148	\$ 3,741

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CITY OF SOUTH BEND, INDIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BASIS) - DEBT SERVICE FUNDS
 For The Year Ended December 31, 1999
 (Continued)

	Redevelopment District Bond			Totals		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ --	\$ --	\$ --	\$ 530,376	\$ 528,693	\$ (1,683)
Interest	--	101,378	101,378	--	116,995	116,995
Total Revenues	--	101,378	101,378	530,376	645,688	115,312
Expenditures:						
Debt Service:						
Principal Retirement	745,000	745,000	--	1,860,000	1,860,000	--
Interest and Fiscal Charges	357,645	357,645	--	841,200	839,873	1,327
Total Expenditures	1,102,645	1,102,645	--	2,701,200	2,699,873	1,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,102,645)	(1,001,267)	101,378	(2,170,824)	(2,054,185)	116,639
Other Financing Sources: Operating Transfers In	--	1,153,170	1,153,170	937,256	2,090,426	1,153,170
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,102,645)	151,903	1,254,548	(1,233,568)	36,241	1,269,809
Fund Balances - January 1	2,943,560	2,943,560	--	4,398,147	4,398,147	--
Fund Balances - December 31	\$ 1,840,915	\$ 3,095,463	\$ 1,254,548	\$ 3,164,579	\$ 4,434,388	\$ 1,269,809

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.
Michigan Street Garage Tax-Exempt -	To account for construction costs related to a new parking garage and other public improvements. Financing is provided by a County Economic Development Income Tax, Series A - Tax Exempt, revenue bond issue.
Underground Garage Taxable -	To account for construction costs related to a new parking garage and other public improvements. Financing is provided by a County Economic Development Income Tax, Series B - Taxable, revenue bond issue.
Coveleski Regional Stadium -	To account for expenditures related to the maintenance and improvement of the baseball stadium. Financing is provided by a portion of the City's percentage of Coveleski Regional Stadium revenues.
Zoo Endowment -	To account for construction projects at the City's zoo. Financing is provided by gifts and donations.
County Option Income Tax -	To account for the City's share of the County Option Income Tax (COIT). Expenditures include land improvements and purchases of motor equipment.
Park Nonreverting 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.
Cumulative Sewer -	To account for financial resources for the construction or repairing of storm sewers or sewage disposal plants and sanitary sewers.
Economic Development Income Tax -	To account for the City's share of the County Economic Development Tax. Expenditures include construction, acquisition and related costs for economic development projects.
Tax Incremental Financing - Sample/Ewing -	To account for expenditures for public improvements in the Sample/Ewing 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 increment).

CAPITAL PROJECTS FUNDS
(Continued)

Morris Civic Improvement -	To accumulate monies for major repairs and capital improvements to the Morris Performing Arts Center. Financing is provided by a surcharge on ticket sales for events held at the facility.
Tax Incremental Financing - Downtown -	To account for expenditures for public improvements in the central business tax incremental district. Also, operating 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 - West Washington -	To account for expenditures for public improvement projects in the West Washington Street property 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.
Redevelopment General -	To account for eligible redevelopment activities in the Studebaker Corridor financed by proceeds from land sales or leases.
Hall of Fame Bond -	To account for construction and related costs of a new College Football Hall of Fame. Financing was provided by bond anticipation notes sold during 1993 and 1994.
Tax Incremental Financing - Airport -	To account for expenditures for public improvement projects in the Airport Economic Development Area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.
Equipment Leasing -	To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.
Morris Performing Arts Center -	To account for the renovation and related costs of the Morris Performing Arts Center. Financing was provided by a 1998 bond issue.
South Bend Entertainment -	To account for donations received by South Bend Entertainment, Inc., a nonprofit corporation formed to solicit donations to finance improvements to the City's Morris Performing Arts Center.
South Bend Building Corporation Construction -	To account for construction and renovation financed by Mortgage Bond Issues.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
December 31, 1999

Assets	Emergency Medical Services	Michigan Street Garage Tax-Exempt	Underground Garage Taxable	Coveleski Regional Stadium	Zoo Endowment	County Option Income Tax	Park Nonreverting Capital	Cumulative Capital Development
Cash and Cash Equivalents	\$ 378,119	\$ 568,621	\$ 551,183	\$ 389,718	\$ 18,133	\$ 1,040,864	\$ 319,100	\$ 990,155
Interest Receivable	-	2,122	2,805	729	-	67	182	790
Taxes Receivable	-	-	-	-	-	-	-	80,972
Accounts Receivable	348,057	-	-	75,000	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	11,780	-
Property Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 726,176	\$ 570,743	\$ 553,988	\$ 465,447	\$ 18,133	\$ 1,040,931	\$ 331,062	\$ 1,071,917
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable	\$ 26,887	\$ -	\$ -	\$ -	\$ -	\$ 35,509	\$ 2,995	\$ -
Contracts Payable	50,990	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	80,972
Total Liabilities	77,877	-	-	-	-	35,509	2,995	80,972
Fund Balances:								
Reserved for Encumbrances	-	-	-	18,370	102	890,048	3,483	82,000
Reserved for Noncurrent Loans Receivable	-	-	-	-	-	-	-	-
Reserved for Property Held for Resale	-	-	-	-	-	-	-	-
Total Reserved Fund Balances	-	-	-	18,370	102	890,048	3,483	82,000
Unreserved:								
Undesignated	648,299	570,743	553,988	447,077	18,031	115,374	324,584	908,945
Total Fund Balances	648,299	570,743	553,988	465,447	18,133	1,005,422	328,067	990,945
Total Liabilities and Fund Balances	\$ 726,176	\$ 570,743	\$ 553,988	\$ 465,447	\$ 18,133	\$ 1,040,931	\$ 331,062	\$ 1,071,917

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
December 31, 1999
(Continued)

Assets	Cumulative Capital Improvement	Cumulative Sewer	Economic Development Income Tax	Tax Incremental Financing - Sample/Ewing	Morris Civic Improvement	Tax Incremental Financing - Downtown	Tax Incremental Financing - West Washington	Redevelopment General
Cash and Cash Equivalents	\$ 392,171	\$ 80,224	\$ 3,717,714	\$ 1,798,675	\$ 181,671	\$ 2,993,245	\$ -	\$ 61,459
Interest Receivable	756	-	4,749	3,751	-	1,139	-	-
Taxes Receivable	-	-	-	660	-	461,400	-	-
Accounts Receivable	-	-	-	5,323	-	2,748	-	-
Loans Receivable	-	-	-	150,000	-	-	-	-
Interfund Receivable	-	-	-	13,660	-	-	-	-
Property Held for Resale	-	-	-	1,697,544	-	881,961	-	487,535
Total Assets	\$ 392,927	\$ 80,224	\$ 3,722,463	\$ 3,669,613	\$ 181,671	\$ 4,340,493	\$ -	\$ 548,994

Liabilities and Fund Balances

Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 15,007	\$ 28,632	\$ -	\$ 28,625	\$ -	\$ -
Contracts Payable	-	-	-	-	-	-	-	-
Other Payables	-	-	-	8,335	-	18,541	-	-
Deferred Revenue	-	-	-	660	-	461,400	-	-
Total Liabilities	-	-	15,007	37,627	-	508,566	-	-

Fund Balances:

Reserved for Encumbrances	297,000	-	2,394,320	3,344	-	242,193	-	-
Reserved for Noncurrent Loans Receivable	-	-	-	132,000	-	-	-	-
Reserved for Property Held for Resale	-	-	-	1,697,544	-	881,961	-	487,535
Total Reserved Fund Balances	297,000	-	2,394,320	1,832,888	-	1,124,154	-	487,535
Unreserved:								
Undesignated	95,927	80,224	1,313,136	1,799,098	181,671	2,707,773	-	61,459
Total Fund Balances	392,927	80,224	3,707,456	3,631,986	181,671	3,831,927	-	548,994
Total Liabilities and Fund Balances	\$ 392,927	\$ 80,224	\$ 3,722,463	\$ 3,669,613	\$ 181,671	\$ 4,340,493	\$ -	\$ 548,994

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CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
December 31, 1989
(Continued)

Assets	Hall of Fame Bond	Tax Incremental Financing - Airport	Equipment Leasing	Morris Performing Arts Center	South Bend Entertainment	South Bend Building Corporation Construction	Totals
Cash and Cash Equivalents	\$ -	\$ 3,231,868	\$ 444,754	\$ 4,073,671	\$ 1,321,296	\$ 505,224	\$ 23,057,865
Interest Receivable	-	2,518	670	21,755	-	2,560	44,593
Taxes Receivable	-	218,855	-	-	-	-	761,887
Accounts Receivable	-	-	-	-	-	-	431,128
Loans Receivable	-	-	-	-	-	-	150,000
Interfund Receivable	-	-	-	-	9,650	-	35,090
Property Held for Resale	-	2,590,730	-	-	-	-	5,657,770
Total Assets	\$ -	\$ 6,043,971	\$ 445,424	\$ 4,095,426	\$ 1,330,946	\$ 507,784	\$ 30,138,333
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	\$ -	\$ 23,030	\$ -	\$ 5,296	\$ -	\$ -	\$ 165,981
Contracts Payable	-	276,213	-	1,314,833	-	171,567	1,813,603
Other Payables	-	125,380	-	-	-	-	152,256
Deferred Revenue	-	218,855	-	-	-	-	761,887
Total Liabilities	-	643,478	-	1,320,129	-	171,567	2,893,727
Fund Balances:							
Reserved for Encumbrances	-	-	-	-	-	-	3,930,860
Reserved for Noncurrent Loans Receivable	-	-	-	-	-	-	132,000
Reserved for Property Held for Resale	-	2,590,730	-	-	-	-	5,657,770
Total Reserved Fund Balances	-	2,590,730	-	-	-	-	9,720,630
Unreserved:							
Undesignated	-	2,809,763	445,424	2,775,297	1,330,946	336,217	17,523,976
Total Fund Balances	-	5,400,493	445,424	2,775,297	1,330,946	336,217	27,244,606
Total Liabilities and Fund Balances	\$ -	\$ 6,043,971	\$ 445,424	\$ 4,095,426	\$ 1,330,946	\$ 507,784	\$ 30,138,333

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 1999

	Emergency Medical Services	Michigan Street Garage Tax-Exempt	Underground Garage Taxable	Coveleski Regional Stadium	Zoo Endowment	County Option Income Tax	Park Nonreverting Capital	Cumulative Capital Development
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,698,624	\$ -	\$ 999,926
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	878,395	-	-	-	-	-	-	-
Interest	4,588	33,563	35,753	75,000	-	-	265,737	-
Donations	-	-	-	10,546	-	4,498	3,146	5,640
Miscellaneous	4,236	-	-	-	16,673	-	-	-
Total Revenues	887,219	33,563	35,753	85,546	16,673	1,703,122	268,883	1,005,566
Expenditures:								
Capital Outlay	610,817	1,677,575	618,480	65,218	25,190	1,146,975	223,023	356,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	276,402	(1,644,012)	(582,737)	20,328	(8,517)	556,147	45,860	649,225
Other Financing Sources (Uses):								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	(250,000)	-	-	-	-	-	-	-
Bond Issue Proceeds	-	-	-	-	-	-	-	-
Financing by Capital Leases	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	28,402	(1,644,012)	(582,737)	20,328	(8,517)	556,147	45,860	649,225
Fund Balances - January 1	621,897	2,214,755	1,136,725	445,119	26,650	449,275	282,207	341,720
Residual Equity Transfers	-	-	-	-	-	-	-	-
Fund Balances - December 31	\$ 648,299	\$ 570,743	\$ 553,988	\$ 465,447	\$ 18,133	\$ 1,005,422	\$ 328,067	\$ 990,945

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CITY OF SOUTH BEND, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
 IN FUND BALANCES - CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 1999
 (Continued)

	Cumulative Capital Improvement	Cumulative Sewer	Economic Development Income Tax	Tax Incremental Financing - Sample/Ewing	Morris Civic Improvement	Tax Incremental Financing - Downtown	Tax Incremental Financing - West Washington	Redevelopment General
Revenues:								
Taxes	\$ -	\$ -	\$ 3,156,441	\$ 623,430	\$ -	\$ 2,492,768	\$ -	\$ 18,679
Intergovernmental	480,670	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	756	-	70,079	47,461	1,010	17,519	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	200,000	-	15,000	286,309	-	89,274	-	16,487
Total Revenues	681,426	-	3,241,520	957,200	1,010	2,599,561	-	35,166
Expenditures:								
Capital Outlay	102,134	-	1,946,491	2,636,561	-	302,699	17,954	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	579,292	-	1,295,029	(1,679,361)	1,010	2,296,862	(17,954)	35,166
Other Financing Sources (Uses):								
Operating Transfers In	-	-	1,426,794	-	-	383,201	-	-
Operating Transfers Out	(594,000)	-	(345,716)	-	-	(2,318,282)	-	-
Bond Issue Proceeds	-	-	-	-	-	-	-	-
Financing by Capital Leases	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,708)	-	2,376,107	(1,679,361)	1,010	361,781	(17,954)	35,166
Fund Balances - January 1	407,635	80,224	1,331,349	5,311,347	180,661	3,465,117	17,954	513,828
Residual Equity Transfers	-	-	-	-	-	5,029	-	-
Fund Balances - December 31	\$ 392,927	\$ 80,224	\$ 3,707,456	\$ 3,631,986	\$ 181,671	\$ 3,831,927	\$ -	\$ 548,994

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CITY OF SOUTH BEND, INDIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BASIS) - CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 1999
 (Continued)

	Cumulative Capital Development			Cumulative Capital Improvement			Economic Development Income Tax		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ 1,036,362	\$ 999,926	\$ (36,436)	\$ -	\$ -	\$ -	\$ 3,092,834	\$ 3,156,441	\$ 63,607
Intergovernmental	-	-	-	489,571	480,670	(8,901)	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Interest	-	4,850	4,850	-	-	-	-	65,330	55,330
Miscellaneous	-	-	-	200,000	200,000	-	10,000	1,441,794	1,441,794
Total Revenues	<u>1,036,362</u>	<u>1,004,776</u>	<u>(31,586)</u>	<u>689,571</u>	<u>680,670</u>	<u>(8,901)</u>	<u>3,102,834</u>	<u>4,663,565</u>	<u>1,560,731</u>
Expenditures:									
Capital Outlay									
Other Services and Charges	394,090	385,138	8,952	891,000	891,000	-	1,755,630	1,725,007	30,623
Capital Outlay	135,000	127,120	7,880	-	-	-	3,062,818	3,037,899	24,919
Other Uses	-	-	-	102,134	102,134	-	-	-	-
Total Capital Outlay	<u>529,090</u>	<u>512,258</u>	<u>16,832</u>	<u>993,134</u>	<u>993,134</u>	<u>-</u>	<u>4,818,448</u>	<u>4,762,906</u>	<u>55,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>507,272</u>	<u>492,518</u>	<u>(14,754)</u>	<u>(303,563)</u>	<u>(312,464)</u>	<u>(8,901)</u>	<u>(1,715,614)</u>	<u>(99,341)</u>	<u>1,616,273</u>
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	158,460	158,460
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>507,272</u>	<u>492,518</u>	<u>(14,754)</u>	<u>(303,563)</u>	<u>(312,464)</u>	<u>(8,901)</u>	<u>(1,715,614)</u>	<u>59,119</u>	<u>1,774,733</u>
Fund Balances - January 1	<u>415,638</u>	<u>415,638</u>	<u>-</u>	<u>444,670</u>	<u>444,670</u>	<u>-</u>	<u>1,249,267</u>	<u>1,249,267</u>	<u>-</u>
Fund Balances (Deficit) - December 31	<u>\$ 922,910</u>	<u>\$ 908,156</u>	<u>\$ (14,754)</u>	<u>\$ 141,107</u>	<u>\$ 132,206</u>	<u>\$ (8,901)</u>	<u>\$ (466,347)</u>	<u>\$ 1,308,386</u>	<u>\$ 1,774,733</u>

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CITY OF SOUTH BEND, INDIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BASIS) - CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 1999
 (Continued)

	Tax Incremental Financing - Sample/Ewing			Tax Incremental Financing - Downton			Tax Incremental Financing - West Washington		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ -	\$ 623,430	\$ 623,430	\$ -	\$ 2,492,768	\$ 2,492,768	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	176,766	176,766	-	-	-
Interest	-	43,710	43,710	-	16,380	16,380	-	-	-
Miscellaneous	-	165,316	165,316	-	57,240	57,240	-	-	-
Total Revenues	-	832,456	832,456	-	2,743,154	2,743,154	-	-	-
Expenditures:									
Capital Outlay									
Other Services and Charges	644,557	565,196	79,361	970,384	766,876	203,508	17,955	17,954	1
Capital Outlay	1,090,767	289,713	801,054	500,384	499,656	728	-	-	-
Other Uses	-	-	-	390	-	390	-	-	-
Total Capital Outlay	1,735,324	854,909	880,415	1,471,158	1,266,532	204,626	17,955	17,954	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,735,324)	(22,453)	1,712,871	(1,471,158)	1,476,622	2,947,780	(17,955)	(17,954)	1
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(1,807,253)	(1,807,253)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,735,324)	(22,453)	1,712,871	(3,278,411)	(330,631)	2,947,780	(17,955)	(17,954)	1
Fund Balances - January 1	1,735,824	1,735,824	-	2,440,681	2,440,681	-	17,954	17,954	-
Fund Balances (Deficit) - December 31	\$ 500	\$ 1,713,371	\$ 1,712,871	\$ (837,730)	\$ 2,110,050	\$ 2,947,780	\$ (1)	\$ -	1

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	Redevelopment - General			Tax Incremental Financing - Airport			Totals		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes									
Intergovernmental	-	\$ 18,679	\$ 18,679	\$ -	\$ 3,037,854	\$ 3,037,854	\$ 5,957,102	\$ 12,027,722	\$ 6,070,620
Charges for Services	-	-	-	-	-	-	489,571	480,670	(8,901)
Interest	-	-	-	-	-	-	1,225,000	1,432,904	207,904
Miscellaneous	-	-	-	-	61,886	61,886	22,000	201,174	179,174
	-	2	2	-	1,460,756	1,460,756	223,500	3,332,309	3,108,809
Total Revenues	-	18,681	18,681	-	4,560,496	4,560,496	7,917,173	17,474,779	9,557,606
Expenditures:									
Capital Outlay									
Other Services and Charges	-	-	-	913,167	624,007	289,160	6,171,947	5,540,686	631,261
Capital Outlay	-	-	-	2,636,295	2,261,725	374,570	10,253,073	8,872,264	1,380,809
Other Uses	-	-	-	-	-	-	102,524	102,134	390
Total Capital Outlay	-	-	-	3,549,462	2,885,732	663,730	16,527,544	14,515,084	2,012,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	18,681	18,681	(3,549,462)	1,674,764	5,224,226	(8,610,371)	2,959,695	11,570,066
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	158,460	158,460
Operating Transfers Out	-	-	-	(333,861)	(333,861)	-	(2,391,114)	(2,391,114)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	18,681	18,681	(3,883,323)	1,340,903	5,224,226	(11,001,485)	727,041	11,728,526
Fund Balances - January 1	26,293	26,293	-	1,520,731	1,520,731	-	9,071,690	9,071,690	-
Fund Balances (Deficit) - December 31	\$ 26,293	\$ 44,974	\$ 18,681	\$ (2,362,592)	\$ 2,861,634	\$ 5,224,226	\$ (1,929,795)	\$ 9,798,731	\$ 11,728,526

COST OF INVESTMENT



Keeping South Bend running smoothly involves more than just maintaining equipment and paying for services. The \$87,000 per year the City pays for each and every Fire Fighter and Police Officer includes salaries, benefits, equipment, training, communications, office space, support staff and pension funds. One cannot put a value on the services they provide but at 88¢ per day in property taxes for the average South Bend homeowner, it is quite a bargain.

ENTERPRISE FUNDS

Parking Garage -	To account for the operation and maintenance of the City's parking garages.
Water Utility -	To account for the provision of water services. The area serviced by the utility is primarily contiguous with the City limits.
Wastewater Utility -	To account for the provisions of wastewater services. The utility service area is primarily contiguous with the City limits.
Century Center -	To account for operation and maintenance of the City's convention center. Financing is received from various rental agreements and a subsidy from the St. Joseph County's Special Funds Board of Managers.
Solid Waste -	To account for the provision of solid waste services.
Consolidated Building -	To account for the operation of the consolidated St. Joseph County/South Bend Building Department.
Blackthorn Golf Course -	To account for the operation and maintenance of the City's Blackthorn Golf Course.
Hall of Fame -	To account for the operation of the College Football Hall of Fame.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - ENTERPRISE FUNDS
December 31, 1988

Assets	Parking Garage	Water Utility	Wastewater Utility	Century Center	Solid Waste	Consolidated Building	Blackthorn Golf Course	Hall Of Fame	Totals
Cash and Cash Equivalents	\$ -	\$ 2,235,922	\$ 1,850,473	\$ 418,832	\$ 407,051	\$ 271,002	\$ 491,079	\$ 198,488	\$ 5,873,257
Interest Receivable	-	27,819	-	422	428	252	-	-	28,919
Accounts Receivable - Customers (Net)	-	505,935	787,373	134,483	273,572	-	-	19,548	1,720,911
Accounts Receivable - Other	-	379	8,932	-	-	-	3,000	-	10,311
Due From Other Funds	-	151,103	257,070	9,354	-	-	-	-	417,527
Materials and Supplies Inventories	-	183,030	214,984	-	-	-	16,041	-	394,035
Prepaid Expenses	5,000	-	-	2,050	-	-	-	-	7,050
Restricted Assets:									
Cash and Cash Equivalents	-	7,858,971	17,216,515	238,712	182,195	-	817,094	1,042,258	27,355,745
Cash With Fiscal Agent	-	14,087	-	-	-	-	-	-	14,087
Investments	-	-	-	325,000	-	-	-	1,790,800	2,115,800
Interest Receivable	-	14,226	52,709	1,463	-	-	-	-	68,398
Accounts Receivable (Net)	-	-	106,282	-	-	-	-	-	106,282
Accounts Receivable - Other	-	226,523	-	-	-	-	-	-	226,523
Due From Other Funds	-	-	44,855	-	-	-	-	-	44,855
Unamortized Bond Issue Cost	-	313,298	155,903	-	-	-	57,083	-	526,284
Deferral of Loss on Bond Refunding	-	-	-	-	-	-	278,740	-	278,740
Fixed Assets:									
Land	1,132,020	128,023	288,082	702,934	-	-	448,469	-	2,700,538
Buildings	6,021,312	6,498,426	19,833,570	19,459,427	-	-	3,704,154	662,886	55,980,575
Improvements Other Than Buildings	-	27,479,618	30,936,622	-	-	-	-	7,285,810	85,885,050
Machinery and Equipment	34,469	6,241,369	34,445,053	2,383,058	2,084,722	180,033	708,873	7,215,971	53,253,548
Construction Work In Progress	-	14,870,040	8,132,299	62,813	-	-	-	-	22,885,162
Less Accumulated Depreciation	(2,302,084)	(10,541,143)	(34,180,117)	(6,875,789)	(1,788,021)	(36,512)	(454,719)	(2,977,834)	(58,915,928)
Total Assets	\$ 4,890,717	\$ 55,988,628	\$ 79,974,375	\$ 17,042,550	\$ 1,158,845	\$ 414,775	\$ 6,070,414	\$ 15,218,037	\$ 180,759,439

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - ENTERPRISE FUNDS
December 31, 1989
(Continued)

Liabilities and Fund Equity	Parking Garage	Water Utility	Wastewater Utility	Century Center	Solid Waste	Consolidated Building	Blackthorn Golf Course	Hall Of Fame	Totals
Liabilities:									
Current Liabilities									
(Payable from Current Assets):									
Accounts Payable	\$ -	\$ 111,488	\$ 133,154	\$ 54,623	\$ 111,573	\$ 434	\$ 12,238	\$ 31,342	\$ 454,828
Payroll Payable	-	111,315	109,181	51,923	53,153	25,551	-	18,223	387,348
Compensated Absences Payable	-	154,848	142,288	61,308	53,671	36,888	-	9,820	480,832
Due to Other Funds	-	27,241	162,940	2,998	168,057	2,408	-	11,130	372,774
Taxes Payable	-	33,138	-	508	-	-	-	-	33,644
Interfund Payable	1,721,320	-	-	-	-	-	-	-	1,721,320
Other Payables	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	70,345	-	-	-	9,830	80,175
Capital Lease Obligations	-	-	-	109,375	-	-	-	-	109,375
Accrued Interest Payable	278,350	9,184	-	134,940	-	-	-	4,028	427,482
Loans Payable	-	-	-	5,268	-	-	-	23	5,291
Current Liabilities (Payable from Restricted Assets):	-	-	-	23,000	-	-	-	-	23,000
Accounts Payable	-	338,158	415,183	-	-	-	-	-	751,349
Payroll Payable	-	-	1,427	-	-	-	-	-	1,427
Compensated Absences Payable	-	-	2,653	-	-	-	-	-	2,653
Due To Other Funds	-	-	43,551	-	-	-	-	-	43,551
Customer Deposits Payable	-	1,105,821	-	-	-	-	-	-	1,105,821
Capital Leases Payable	-	-	-	-	59,756	-	48,572	-	108,328
Accrued Interest Payable	-	60	28,455	-	1,438	-	91,738	50,812	172,501
Revenue Bonds Payable	-	-	575,000	-	-	-	155,000	-	730,000
Advances From Other Funds	-	-	-	-	-	-	-	1,750,000	1,750,000
Loans Payable	-	-	-	170,000	-	-	-	-	170,000
Revenue Bonds Payable (Net of Discount)	-	23,595,317	11,022,791	-	-	-	5,802,217	17,450,000	57,870,325
Capital Lease Payable	282,115	24,950	-	304,788	23,105	-	119,443	-	734,411
Other Liabilities:									
Unamortized Gain on Sale - Leaseback	42,575	-	-	-	-	-	-	-	42,575
Total Liabilities	2,305,380	25,509,478	12,838,844	989,082	488,751	67,281	6,227,208	19,333,208	67,537,008
Fund Equity:									
Contributed Capital	2,680,312	6,859,222	31,033,571	14,743,485	-	103,853	-	500,000	55,920,543
Retained Earnings:									
Reserved for Debt Service	-	3,275,128	6,967,230	-	-	-	-	-	10,242,358
Unreserved	(94,955)	20,344,802	28,336,930	1,308,883	691,194	243,541	(158,792)	(4,815,171)	47,059,532
Total Fund Equity	2,585,357	30,479,150	67,337,731	16,053,468	691,194	347,494	(158,792)	(4,115,171)	113,222,431
Total Liabilities and Fund Equity	\$ 4,890,717	\$ 55,988,628	\$ 79,974,375	\$ 17,042,550	\$ 1,159,945	\$ 414,775	\$ 6,070,414	\$ 15,218,037	\$ 180,759,439

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENSE AND CHANGES IN RETAINED EARNINGS -
ENTERPRISE FUNDS
For The Year Ended December 31, 1988

	Parking Garage	Water Utility	Wastewater Utility	Century Center	Solid Waste	Consolidated Building	Blackthorn Golf Course	Hall Of Fame	Totals
Operating Revenues:									
Convention Fees	\$ -	\$ -	\$ -	\$ 1,302,883	\$ -	\$ -	\$ -	\$ -	\$ 1,302,883
Parking Fees	612,414	-	-	180,854	-	-	-	-	793,268
Melated Sales	-	8,148,349	-	-	-	-	-	-	21,198,282
Fire Protection	-	1,096,955	12,052,833	-	-	-	-	-	1,096,955
Solid Waste Fees	-	-	-	-	3,094,759	-	-	-	3,094,759
Licenses and Permits	-	-	-	-	-	988,534	-	-	988,534
Hall of Fame Fees	-	-	-	-	-	-	-	810,849	810,849
Golf Course Fees	-	-	-	-	-	-	1,692,252	-	1,692,252
Miscellaneous	4,331	830,532	449,675	139,780	-	15,249	-	-	1,239,577
Total Operating Revenues	616,745	10,873,836	12,502,608	1,623,437	3,094,759	983,783	1,692,252	810,849	32,198,069
Operating Expenses:									
Operation and Maintenance	-	3,515,489	6,073,814	-	2,871,130	895,252	1,058,745	848,974	15,061,404
General and Administrative	387,879	3,148,857	2,016,584	2,508,543	162,389	38,427	92,394	624,819	8,977,892
Depreciation	155,879	835,247	3,192,557	583,147	232,719	17,018	114,452	991,877	6,122,486
Total Operating Expenses	543,558	7,497,593	11,282,955	3,091,690	3,066,238	950,697	1,265,591	2,463,470	30,161,792
Operating Income (Loss)	73,187	3,376,243	1,219,653	(1,468,253)	28,521	33,086	426,661	(1,652,621)	2,036,277
Nonoperating Revenues (Expenses):									
Interest	-	211,152	670,798	47,023	6,800	252	3,157	157,040	1,086,022
Hotel/Motel Tax	-	-	-	1,144,098	-	-	-	380,864	1,524,960
Other Income	-	488,132	1,064,591	65,000	878,197	-	-	350,000	2,843,920
Interest Expense and Fiscal Charges	(39,745)	(520,083)	(398,096)	(22,569)	(8,064)	-	(302,975)	(731,030)	(2,012,562)
Gain (Loss) on Disposal of Fixed Assets	-	(60,705)	4,987	(9,364)	-	(4,811)	(9,277)	-	(78,970)
Other Expenses	-	(25,933)	(1,005,391)	-	(715,717)	-	(18,127)	-	(1,765,168)
Total Nonoperating Revenues (Expenses)	(39,745)	80,583	346,889	1,224,186	181,018	(4,359)	(327,222)	156,874	1,608,202
Income (Loss) Before Operating Transfers	33,442	3,456,806	1,566,542	(244,067)	189,537	28,727	99,439	(1,495,947)	3,844,479
Operating Transfers In	-	-	-	-	-	-	17,240	100,000	117,240
Net Income (Loss)	33,442	3,456,806	1,566,542	(244,067)	189,537	28,727	116,679	(1,395,947)	3,761,719
Add: Depreciation on Assets Acquired With Contributions	88,931	-	-	449,328	-	-	-	-	535,259
Total	120,373	3,456,806	1,566,542	204,261	189,537	28,727	116,679	(1,395,947)	4,296,978
Retained Earnings (Deficit) - January 1	(216,328)	20,153,122	34,737,618	1,105,722	501,657	214,814	(273,471)	(3,219,224)	53,004,910
Retained Earnings (Deficit) - December 31	\$ (94,955)	\$ 23,819,928	\$ 39,304,160	\$ 1,309,983	\$ 691,194	\$ 243,541	\$ (156,792)	\$ (4,815,171)	\$ 57,301,888

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Acquisition and Construction of Capital Assets
Principal Paid on Revenue Bonds
Principal Portion of Capital Lease Contracts
Principal Portion of Capital Lease Contracts
Principal Portion of Loans
Interest Paid on Revenue Bonds
Interest Portion of Capital Lease Contracts
Proceeds From Sale of Equipment
Proceeds From Capital Lease Contracts
Capital Contributions

Cash Flows From Investing Activities:

Supplemental Information:

Capital Assets Contributed	
Capital Assets Acquired By Accounts Payable	
Capital Assets Acquired By Capital Lease	
Capital Assets Acquired By State Revolving Fund Loan	
Trade In Value of Fixed Assets	
Capital Asset Disposals	
Interest Expense Capitalized	

CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (NON-GAAP BASIS) - ENTERPRISE FUNDS
For The Year Ended December 31, 1999

	Parking Garage			Water Utility			Wastewater Utility		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Convention Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking Fees	476,215	565,858	89,643	-	-	-	-	-	-
Metered Sales	-	-	-	9,769,733	10,768,630	998,897	12,644,500	12,830,985	186,485
Fire Protection	-	-	-	906,000	1,066,156	160,156	-	-	-
Solid Waste Fees	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Hall of Fame Fees	-	-	-	-	-	-	-	-	-
Golf Course Fees	-	-	-	-	-	-	-	-	-
Hotel/Motel Taxes	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	655,226	655,226	353,000	615,096	262,096
	-	-	-	20,500	23,436	2,936	1,331,120	2,146,027	814,907
Total Revenues	476,215	565,858	89,643	10,696,233	12,513,448	1,817,215	14,328,620	15,592,108	1,263,488
Expenditures:									
Personal Services	192,914	128,817	64,097	3,222,857	3,176,789	46,068	3,406,262	3,189,539	216,723
Supplies	23,978	9,316	14,662	574,812	508,582	66,230	1,061,032	890,946	170,086
Other Services and Charges	530,246	521,789	8,457	5,259,328	4,999,925	259,403	4,364,873	4,254,491	110,382
Capital Outlay	-	-	-	10,906,928	10,428,795	478,133	4,966,979	4,204,369	762,610
Other	16,240	16,240	-	2,453,815	2,437,013	16,802	5,089,484	4,599,383	490,101
Total Expenditures	763,378	676,162	87,216	22,417,740	21,551,104	866,636	18,888,630	17,138,728	1,749,902
Excess (Deficiency) of Revenues Over (Under) Expenditures	(287,163)	(110,304)	176,859	(11,721,507)	(9,037,656)	2,683,851	(4,560,010)	(1,546,620)	3,013,390
Retained Earnings at Beginning of Year	-	-	-	832,652	832,652	-	2,758,370	2,758,370	-
Retained Earnings at End of Year	\$ (287,163)	\$ (110,304)	\$ 176,859	\$ (10,888,855)	\$ (8,205,004)	\$ 2,683,851	\$ (1,801,640)	\$ 1,211,750	\$ 3,013,390

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CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (NON-GAAP BASIS) - ENTERPRISE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Century Center			Solid Waste			Consolidated Building		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Convention Fees	\$ 1,144,096	\$ 1,144,579	\$ 483 (32,910)	-	\$ -	\$ -	-	\$ -	\$ -
Parking Fees	209,900	176,990	-	-	-	-	-	-	-
Metered Sales	-	-	-	-	-	-	-	-	-
Fire Protection	-	-	-	-	-	-	-	-	-
Solid Waste Fees	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	3,009,202	3,923,653	914,451	-	-	-
Hall of Fame Fees	-	-	-	-	-	-	-	-	-
Golf Course Fees	-	-	-	-	-	-	-	-	-
Hotel/Motel Taxes	-	-	-	-	-	-	964,401	964,547	14
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	1,342,600	1,112,504	(230,096)	3,638	6,174	2,536	-	-	-
	133,854	413,840	279,986	24,098	46,966	22,868	2,000	3,987	1,987
Total Revenues	2,830,450	2,847,913	17,463	3,036,938	3,976,793	939,855	966,401	971,488	5,087
Expenditures:									
Personal Services	1,621,218	1,510,678	110,540	1,583,876	-	1,583,876	785,558	766,044	19,514
Supplies	122,511	120,121	2,390	9,476	-	9,476	34,525	14,569	19,956
Other Services and Charges	1,047,513	936,777	110,736	2,131,789	-	2,131,789	137,631	125,670	11,961
Capital Outlay	-	-	-	-	-	-	98,857	47,657	51,200
Other	60,707	60,707	-	113,260	-	113,260	22,804	22,804	-
Total Expenditures	2,851,949	2,628,283	223,666	3,838,401	-	3,838,401	1,079,375	976,744	102,631
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,499)	219,630	241,129	(801,463)	3,976,793	4,778,256	(112,974)	(5,256)	107,718
Retained Earnings at Beginning of Year	238,282	238,282	-	240,317	240,317	-	260,935	260,935	-
Retained Earnings at End of Year	\$ 216,783	\$ 457,912	\$ 241,129	\$ (561,146)	\$ 4,217,110	\$ 4,778,256	\$ 147,961	\$ 255,679	\$ 107,718

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CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (NON-GAAP BASIS) - ENTERPRISE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Blackthorn Golf Course			Hall of Fame			Totals		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Convention Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,144,096	\$ 1,144,579	\$ 483
Parking Fees	-	-	-	-	-	-	686,115	742,848	56,733
Metered Sales	-	-	-	-	-	-	22,414,233	23,599,615	1,185,382
Fire Protection	-	-	-	-	-	-	906,000	1,066,156	160,156
Solid Waste Fees	-	-	-	-	-	-	3,009,202	3,923,653	914,451
Licenses and Permits	-	-	-	-	-	-	964,401	964,547	146
Hall of Fame Fees	-	-	-	-	-	-	1,654,341	1,143,305	(511,036)
Golf Course Fees	1,776,255	1,692,253	(84,002)	1,654,341	1,143,305	(511,036)	1,776,255	1,692,253	(84,002)
Hotel/Motel Taxes	-	-	-	380,864	380,864	-	380,864	380,864	-
Interest	-	4,183	4,183	89,100	120,033	30,933	1,790,338	2,517,203	726,865
Miscellaneous	-	-	-	628,100	589,713	(38,387)	2,135,672	3,222,936	1,087,264
Total Revenues	1,776,255	1,696,436	(79,819)	2,750,405	2,233,915	(516,490)	36,881,517	40,397,959	3,536,442
Expenditures:									
Personal Services	-	-	-	655,516	510,825	144,691	11,468,201	9,282,692	2,185,509
Supplies	-	-	-	82,581	88,482	14,119	1,908,915	1,611,996	296,919
Other Services and Charges	436,000	436,000	-	941,528	908,471	33,057	14,848,908	12,183,123	2,665,785
Capital Outlay	-	-	-	74,547	49,351	25,196	16,047,311	14,730,172	1,317,139
Other	1,363,060	1,298,630	64,430	1,119,244	690,043	429,201	10,238,614	9,124,820	1,113,794
Total Expenditures	1,799,060	1,734,630	64,430	2,873,416	2,227,152	646,264	54,511,949	46,932,803	7,579,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,805)	(38,194)	(15,389)	(123,011)	6,763	129,774	(17,650,432)	(6,534,844)	11,115,588
Retained Earnings at Beginning of Year	1,197,339	1,197,339	-	126,987	126,987	-	5,654,882	5,654,882	-
Retained Earnings at End of Year	\$ 1,174,534	\$ 1,159,145	\$ (15,389)	\$ 3,976	\$ 133,750	\$ 129,774	\$ (11,995,550)	\$ (879,962)	\$ 11,115,588

RESULTS OF INVESTMENT



In 1999, South Bend experienced another year of record investment. The total value for construction permits was \$180 million, a 29% increase from the \$139 million level in 1998 and almost double the building activity in 1992 and 1993. Last year 186 new homes were started in South Bend, 30% ahead of 1998 and more than double the recent low for new home starts in 1995. South Bend is also helping with older homes, either through not-for-profit community development corporations or through the Bureau of Housing. Last year, the Bureau and the Housing Development Corp. made 34 affordable rehab loans, supported work on 25 homes through Christmas in April, placed 300 volunteers in other home improvement projects and helped 135 home buyers through REWARD and Community Homebuyers Corp.

South Bend is growing north and south and attracting good investments, new jobs and new homes. New restaurants, a movie theater, home service center and new housing developments show that the business climate is good on the south side of town. The Blackthorn area continues to develop through strong interest and good projects. This past year, Redevelopment sold more than \$1,000,000 worth of land for new development. Public investment of \$4 million leveraged almost \$30 million in private investment. Having good sites ready for development, with the infrastructure in place, has brought positive investment and good jobs to this community.

INTERNAL SERVICE FUNDS

**Liability Insurance
Premium Reserve -**

To account for expenses related to maintaining the City's self-funded liability insurance including administrative costs, claims and premiums. Funding is provided by assessments to certain other City funds.

**Self-Funded Employee
Benefits -**

To account for employer and employees' contributions for a medical insurance plan.

Central Services -

To account for expenses related to fuel, vehicle repairs and various supplies and services provided to city departments on a cost-reimbursement basis.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
December 31, 1999

<u>Assets</u>	<u>Liability Insurance Premium Reserve</u>	<u>Self-Funded Employee Benefits</u>	<u>Central Services</u>	<u>Totals</u>
Cash and Cash Equivalents	\$ 1,334,450	\$ 2,178,608	\$ -	\$ 3,513,058
Interest Receivable	2,100	4,322	-	6,422
Accounts Receivable	-	-	9,103	9,103
Intergovernmental Receivable	-	-	364	364
Due From Other Funds	-	-	387,950	387,950
Materials and Supplies Inventories	-	-	712,495	712,495
Prepaid Expenses	5,483	-	-	5,483
Fixed Assets:				
Machinery and Equipment	4,533	-	820,273	824,806
Less Accumulated Depreciation	(2,546)	-	(431,331)	(433,877)
Total Assets	\$ 1,344,020	\$ 2,182,930	\$ 1,498,854	\$ 5,025,804

Liabilities and Equity

Liabilities:				
Accounts Payable	\$ 110,316	\$ 17,994	\$ 113,802	\$ 242,112
Payroll Payable	2,562	2,555	62,018	67,135
Compensated Absences Payable	1,875	2,443	79,059	83,377
Due to Other Funds	644	179	1,123	1,946
Interfund Payable	-	-	959,922	959,922
Capital Lease Obligations - Current	-	-	1,551	1,551
Estimate of Unfiled Claims	94,000	439,147	-	533,147
Total Liabilities	209,397	462,318	1,217,475	1,889,190
Equity:				
Contributed Capital	2,784	-	330,745	333,529
Retained Earnings:				
Reserved for Insurance Claims	1,131,839	1,720,612	-	2,852,451
Unreserved	-	-	(49,366)	(49,366)
Total Equity	1,134,623	1,720,612	281,379	3,136,614
Total Liabilities and Equity	\$ 1,344,020	\$ 2,182,930	\$ 1,498,854	\$ 5,025,804

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 1999

	Liability Insurance Premium Reserve	Self- Funded Employee Benefits	Central Services	Totals
Operating Revenues:				
Employee/Employer Contributions	\$ 1,627,280	\$ 5,572,874	\$ --	\$ 7,200,154
Service Revenue	--	--	2,420,865	2,420,865
Miscellaneous	--	13,189	46,597	59,786
Total Operating Revenues	1,627,280	5,586,063	2,467,462	9,680,805
Operating Expenses:				
Operation and Maintenance	--	--	2,006,304	2,006,304
General and Administrative	122,575	238,935	252,310	613,820
Depreciation	1,952	210	51,124	53,286
Insurance Claims/Premiums	1,277,882	5,434,089	--	6,711,971
Total Operating Expenses	1,402,409	5,673,234	2,309,738	9,385,381
Operating Income (Loss)	224,871	(87,171)	157,724	295,424
Nonoperating Revenue:				
Interest	26,572	85,221	--	111,793
Interest Expense and Fiscal Charges	--	--	(345)	(345)
Gain (Loss) on Sale of Fixed Assets	6,100	(843)	(8,393)	(3,136)
Total Nonoperating Revenues (Expenses)	32,672	84,378	(8,738)	108,312
Net Income (Loss)	257,543	(2,793)	148,986	403,736
Retained Earnings - January 1	874,296	1,723,405	(198,352)	2,399,349
Retained Earnings - December 31	\$ 1,131,839	\$ 1,720,612	\$ (49,366)	\$ 2,803,085

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For The Year Ended December 31, 1989

	Liability Insurance Premium Reserve	Self- Funded Employee Benefits	Central Services	Totals
Cash Flows From Operating Activities:				
Operating Income (Loss)	\$ 224,871	\$ (87,171)	\$ 157,724	\$ 295,424
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	1,952	210	51,124	53,286
(Increase) Decrease In Assets:				
Intergovernmental Receivable	-	-	(364)	(364)
Accounts Receivable	-	-	(6,286)	(6,286)
Due From Other Funds	-	-	(104,328)	(104,328)
Inventory	-	-	(103,210)	(103,210)
Increase (Decrease) In Liabilities:				
Accounts Payable	103,827	3,977	6,185	113,989
Payroll Payable	381	340	10,716	11,437
Compensated Absences Payable	765	2,443	12,565	15,773
Due To Other Funds	601	99	593	1,293
Estimate for Unfiled Claims	(136,589)	(6,714)	-	(143,303)
Net Cash Provided (Used) by Operating Activities	195,808	(86,816)	24,719	133,711
Cash Flows From Noncapital Financing Activities:				
Increase in Interfund Payable	-	-	(8,420)	(8,420)
Cash Flows From Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	-	(12,022)	(12,022)
Principal Portion of Capital Lease Contracts	-	-	(7,278)	(7,278)
Interest Portion of Capital Lease Contracts	-	-	(345)	(345)
Proceeds from Sale of Fixed Assets	-	-	3,346	3,346
Net Cash Used by Capital and Related Financing Activities	-	-	(16,299)	(16,299)
Cash Flows From Investing Activities:				
Interest on Investments	24,472	80,899	-	105,371
Net Increase (Decrease) in Cash and Cash Equivalents	220,280	(5,917)	-	214,363
Cash and Cash Equivalents at Beginning of Year	1,114,170	2,184,525	-	3,298,695
Cash and Cash Equivalents at End of Year	\$ 1,334,450	\$ 2,178,608	\$ -	\$ 3,513,058
Supplemental Information:				
Capital Assets Contributed	\$ -	\$ -	\$ 250,471	\$ 250,471

CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (NON-GAAP BASIS) - INTERNAL SERVICE FUNDS
For The Year Ended December 31, 1999

	Liability Insurance Premium Reserve			Self-Funded Employee Benefits		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Employee/Employer Contributions	\$ 1,545,046	\$ 1,546,979	\$ 1,933	\$ 5,749,525	\$ 5,586,128	\$ (163,397)
Service Revenues	-	-	-	-	-	-
Interest	27,000	24,471	(2,529)	100,000	80,898	(19,102)
Miscellaneous	-	77,068	77,068	-	-	-
Total Revenues	1,572,046	1,648,518	76,472	5,849,525	5,667,026	(182,499)
Expenditures:						
Operation and Maintenance						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Operation and Maintenance	-	-	-	-	-	-
General and Administrative						
Personal Services	85,281	76,657	8,624	78,458	73,807	4,651
Supplies	7,650	2,281	5,369	9,500	7,742	1,758
Total General and Administrative	92,931	78,938	13,993	87,958	81,549	6,409
Insurance Claims/Premiums						
Other Services and Charges	1,548,660	1,319,517	229,143	5,690,367	5,471,935	218,432
Other	33,016	33,016	-	123,864	123,864	-
Total Insurance Claims/Premiums	1,581,676	1,352,533	229,143	5,814,231	5,595,799	218,432
Total Expenditures	1,674,607	1,431,471	243,136	5,902,189	5,677,348	224,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,561)	217,047	319,608	(52,664)	(10,322)	42,342
Retained Earnings at Beginning of Year	1,114,170	1,114,170	-	2,184,525	2,184,525	-
Retained Earnings at End of Year	\$ 1,011,609	\$ 1,331,217	\$ 319,608	\$ 2,131,861	\$ 2,174,203	\$ 42,342

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (NON-GAAP BASIS) - INTERNAL SERVICE FUNDS
For The Year Ended December 31, 1999
(Continued)

	Central Services			Totals		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Employee/Employer Contributions	\$ -	\$ -	\$ -	\$ 7,294,571	\$ 7,133,107	\$ (161,464)
Service Revenues	2,803,241	2,378,946	(424,295)	2,803,241	2,378,946	(424,295)
Interest	-	-	-	127,000	105,369	(21,631)
Miscellaneous	31,500	45,377	13,877	31,500	122,445	90,945
Total Revenues	2,834,741	2,424,323	(410,418)	10,256,312	9,739,867	(516,445)
Expenditures:						
Operation and Maintenance						
Personal Services	2,195,928	1,795,285	400,643	2,195,928	1,795,285	400,643
Supplies	231,610	212,829	18,781	231,610	212,829	18,781
Other Services and Charges	320,299	303,268	17,031	320,299	303,268	17,031
Other	61,452	61,452	-	61,452	61,452	-
Total Operation and Maintenance	2,809,289	2,372,834	436,455	2,809,289	2,372,834	436,455
General and Administrative						
Personal Services	-	-	-	163,739	150,464	13,275
Supplies	-	-	-	17,150	10,023	7,127
Total General and Administrative	-	-	-	180,889	160,487	20,402
Insurance Claims/Premiums						
Other Services and Charges	-	-	-	7,239,027	6,791,452	447,575
Other	-	-	-	156,880	156,880	-
Total Insurance Claims/Premiums	-	-	-	7,395,907	6,948,332	447,575
Total Expenditures	2,809,289	2,372,834	436,455	10,386,085	9,481,653	904,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,452	51,489	26,037	(129,773)	258,214	387,987
Retained Earnings at Beginning of Year	-	-	-	3,298,695	3,298,695	-
Retained Earnings at End of Year	\$ 25,452	\$ 51,489	\$ 26,037	\$ 3,168,922	\$ 3,556,909	\$ 387,987

MEETING OUR CHALLENGES



As South Bend moves into the new Millennium, it faces a number of challenges, including crime and divisiveness along racial and ethnic lines. However, every challenge presents an opportunity. Too often race and ethnicity still divide us, rather than being a cause for celebration of our diversity. The City continues to work with the CommUnity Religious Effort (CURE) and others to address issues of racism and violence. We support efforts like Study Circles, the CommUnity Rally, the Ethnic Festival, Cinco de Mayo and Kwanzaa, which bring people together to share experiences, so we can appreciate how our differing cultures enrich our shared community. We provide opportunities on boards, committees and in the work force so that all represent the community that they serve. Mayor Luecke has pledged to be creative in developing supplemental strategies to fill in the gaps where current efforts are not enough and to bring people together to build partnerships and to find solutions.

TRUST AND AGENCY FUNDS

Pension Trust Funds

1925 Police Pension -

To account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members, state pension relief distributions, and a specific annual property tax levy.

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, state pension relief distributions, and a specific annual property tax levy.

Expendable Trust Fund

Cemetery Trust -

To account for donations and a portion of the proceeds from the sale of cemetery lots. These funds are available for maintenance of City cemeteries.

Agency Fund

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.

CITY OF SOUTH BEND, INDIANA
COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS
December 31, 1999

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Expendable Trust Fund</u>	<u>Agency Fund</u>	<u>Totals</u>
Cash and Cash Equivalents	\$ 1,650,582	\$ 59,913	\$ 727,787	\$ 2,438,282
Interest Receivable	-	182	-	182
Taxes Receivable	185,804	-	-	185,804
Total Assets	<u>\$ 1,836,386</u>	<u>\$ 60,095</u>	<u>\$ 727,787</u>	<u>\$ 2,624,268</u>

Liabilities and Fund Balances

Liabilities:

Accounts Payable	\$ 229	\$ -	\$ -	\$ 229
Payroll Payable	508	-	-	508
Payroll Withholdings Payable	-	-	727,787	727,787
Deferred Revenue	185,804	-	-	185,804
Total Liabilities	<u>186,541</u>	<u>-</u>	<u>727,787</u>	<u>914,328</u>

Fund Balances:

Reserved for Employees' Pension Benefits
Unreserved:

Undesignated

Total Fund Balances

Total Liabilities and Fund Balances

1,649,845	-	-	-	1,649,845
-	60,095	-	-	60,095
<u>1,649,845</u>	<u>60,095</u>	<u>-</u>	<u>-</u>	<u>1,709,940</u>
<u>\$ 1,836,386</u>	<u>\$ 60,095</u>	<u>\$ 727,787</u>	<u>\$</u>	<u>2,624,268</u>

CITY OF SOUTH BEND, INDIANA
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS
December 31, 1999

<u>Assets</u>	1925 Police Pension	1937 Firefighters' Pension	Totals
Cash and Cash Equivalents	\$ 499,485	\$ 1,151,097	\$ 1,650,582
Taxes Receivable	87,828	97,976	185,804
Total Assets	<u>\$ 587,313</u>	<u>\$ 1,249,073</u>	<u>\$ 1,836,386</u>

Liabilities and Fund Balances

Liabilities:			
Accounts Payable	\$ 78	\$ 151	\$ 229
Payroll Payable	--	508	508
Deferred Revenue	87,828	97,976	185,804
Total Liabilities	<u>87,906</u>	<u>98,635</u>	<u>186,541</u>
Fund Balances:			
Reserved for Employees' Pension Benefits	499,407	1,150,438	1,649,845
Total Liabilities and Fund Balances	<u>\$ 587,313</u>	<u>\$ 1,249,073</u>	<u>\$ 1,836,386</u>

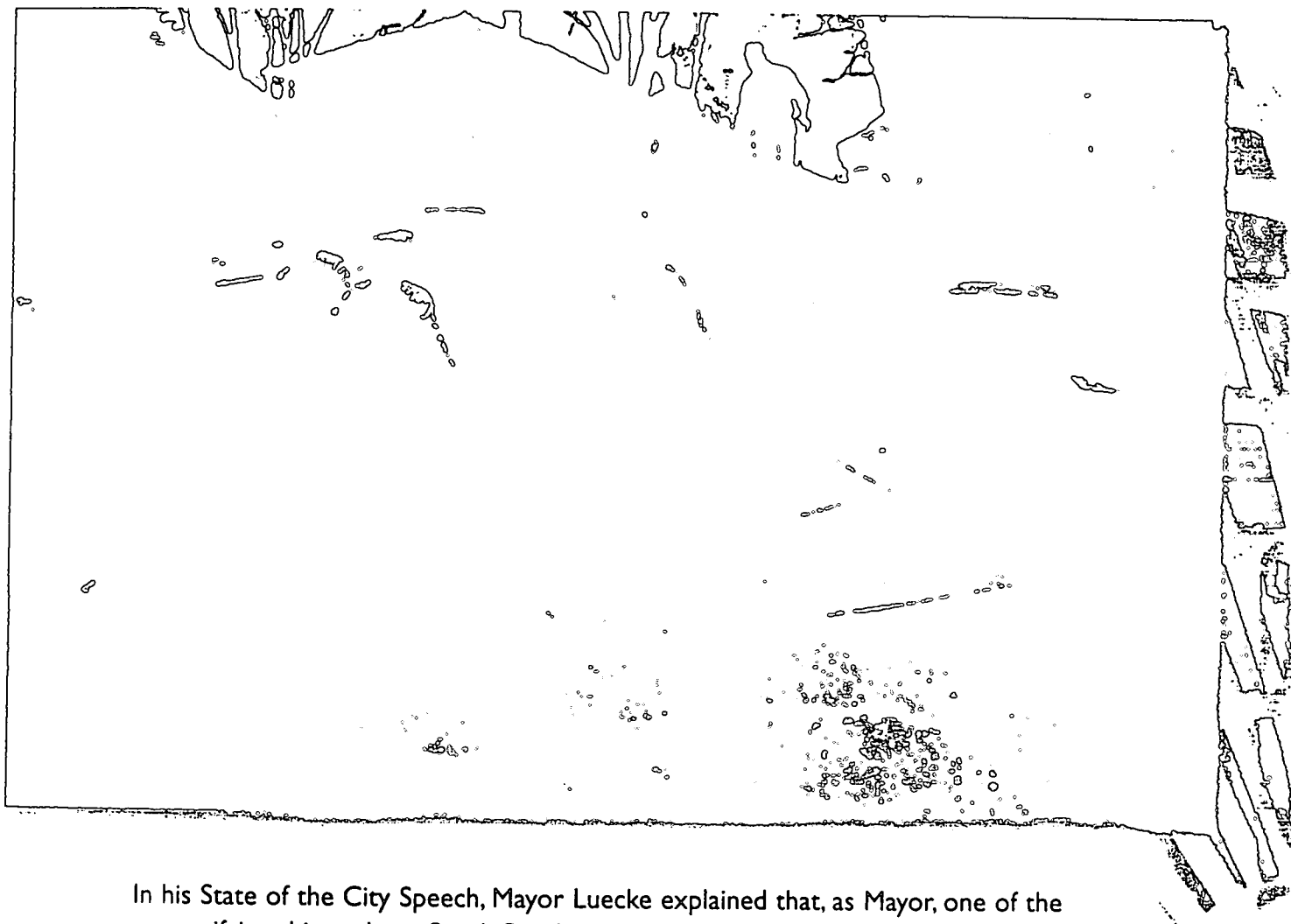
CITY OF SOUTH BEND, INDIANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BASIS) - PENSION TRUST FUNDS
For The Year Ended December 31, 1999

	1925 Police Pension			1937 Firefighters' Pension			Totals	
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual
Revenues:								
Taxes								
Intergovernmental	\$ 1,087,481	\$ 1,084,586	\$ (2,895)	\$ 1,212,902	\$ 1,209,911	\$ (2,991)	\$ 2,300,383	\$ 2,294,497
Employee Contributions	2,111,808	1,918,914	(192,894)	2,132,658	1,685,540	(447,118)	4,244,466	3,604,454
Interest	90,000	89,824	(176)	113,000	113,638	638	203,000	203,462
Miscellaneous	10,000	7,009	(2,991)	10,000	7,748	(2,252)	20,000	14,757
	-	37	37	-	-	-	-	37
Total Revenues	3,299,289	3,100,370	(198,919)	3,488,560	3,016,837	(451,723)	6,767,849	6,117,207
Expenditures:								
Current:								
General and Administrative								
Supplies	1,020	600	420	200	-	200	1,220	600
Other Services and Charges	3,290	2,460	830	4,841	1,403	3,438	8,131	3,863
Total General and Administrative	4,310	3,060	1,250	5,041	1,403	3,638	9,351	4,463
Pension Benefits								
Personal Services	3,562,973	3,434,189	128,784	2,881,756	2,777,016	104,740	6,444,729	6,211,205
Total Expenditures	3,567,283	3,437,249	130,034	2,886,797	2,778,419	108,378	6,454,080	6,215,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(267,994)	(336,879)	(68,885)	581,763	238,418	(343,345)	313,769	(98,461)
Fund Balances - January 1	834,584	834,584	-	912,677	912,677	-	1,747,281	1,747,261
Fund Balances - December 31	\$ 566,590	\$ 497,705	\$ (68,885)	\$ 1,494,440	\$ 1,151,095	\$ (343,345)	\$ 2,061,030	\$ 1,648,800
								\$ (412,230)

CITY OF SOUTH BEND, INDIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND
For The Year Ended December 31, 1999

	Payroll
Assets:	
Cash and Cash Equivalents, January 1	\$ 541,141
Additions	60,058,808
Deductions	<u>(59,872,162)</u>
Total Assets, December 31	<u>\$ 727,787</u>
Liabilities:	
Payroll Payable, January 1	\$ -
Additions	56,211,781
Deductions	<u>(56,211,781)</u>
Payroll Payable, December 31	<u>-</u>
Payroll Withholdings, January 1	541,141
Additions	3,847,027
Deductions	<u>(3,660,381)</u>
Payroll Withholdings, December 31	<u>727,787</u>
Total Liabilities, December 31	<u>\$ 727,787</u>

INVESTING IN EACH OTHER



In his State of the City Speech, Mayor Luecke explained that, as Mayor, one of the most gratifying things about South Bend is the quality and quantity of volunteer activities. At a time when authors are bemoaning the loss of community, legions of dedicated individuals are joining forces to make good things happen. Whether through the C.O.P. Leadership Program or Christmas in April, Youth as Resources or the CommUnity Religious Effort (CURE), after school and mentoring programs or Neighborhood Watch, citizens are banding together to help others, to help themselves and to build community. Neighborhood organizations are strong. There is energetic response to the Loan-a-Truck program and strong interest in Citizen Academies for the Police and Fire Departments. Volunteers have contributed more than 52,000 hours of service to the College Football Hall of Fame. The Downtown Rotary Club has finished its second school renovation project. People want to be involved in good projects and in programs that do good.

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
December 31, 1999

General Fixed Assets	
Land	\$ 7,757,532
Buildings	25,241,625
Improvements Other Than Buildings	9,022,383
Machinery and Equipment	26,150,090
Construction Work In Progress	24,483,069
Total General Fixed Assets	<u>\$ 92,654,699</u>
Investment in General Fixed Assets	
General Fund	\$ 13,896,546
Special Revenue	26,777,741
Capital Projects Funds	51,980,412
Total Investment in General Fixed Assets	<u>\$ 92,654,699</u>

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
December 31, 1999

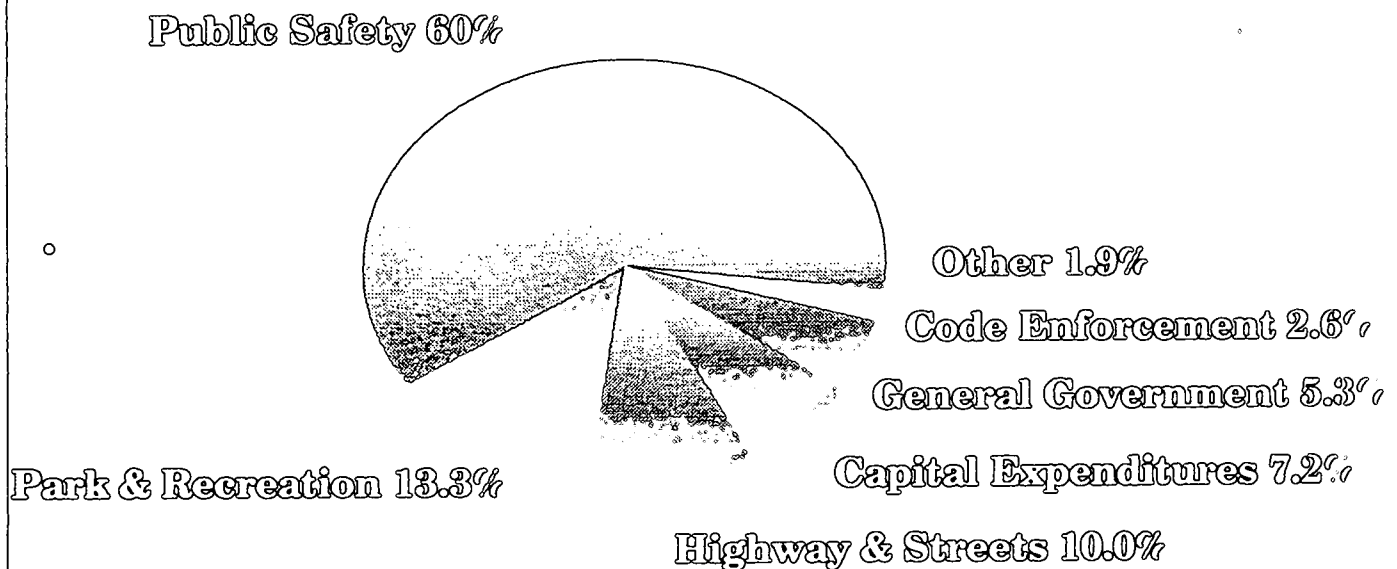
Function and Activity	Total	Land	Building	Improvements Other Than Buildings	Machinery and Equipment	Construction Work in Progress
General Government:						
Mayor	\$ 66,983	\$ -	\$ -	\$ 16,107	\$ 50,876	\$ -
City Clerk	37,818	-	-	-	37,818	-
City Council	20,580	-	-	8,765	11,815	-
Controller	505,488	-	-	29,150	476,338	-
City Attorney	15,725	-	-	4,182	11,543	-
Equipment Services	2,233,283	-	2,115,746	117,537	-	-
Building Maintenance	47,968	-	-	20,340	27,628	-
Human Rights	14,174	-	-	-	14,174	-
Neighborhood Code Enforcement	378,808	-	-	5,677	373,131	-
County-City Building	1,242,133	-	1,226,991	-	15,142	-
Information Technology	98,114	-	-	-	98,114	-
Leighton Plaza Parking Garage	12,352,265	-	-	-	-	12,352,265
Total General Government	17,013,339	-	3,342,737	201,758	1,116,579	12,352,265
Public Safety:						
Police Department	8,813,426	-	-	484,237	8,329,189	-
Fire Department	10,956,565	276,474	3,022,918	362,527	7,294,646	-
Total Public Safety	19,769,991	276,474	3,022,918	846,764	15,623,835	-
Highways and Streets:						
Engineering	197,773	-	-	14,875	182,898	-
Traffic and Lighting	508,327	-	-	3,800	504,527	-
Maintenance	6,252,672	11,340	1,376,945	405,385	4,459,002	-
Total Highways and Streets	6,958,772	11,340	1,376,945	424,060	5,146,427	-
Culture and Recreation:						
Park and Recreation	35,154,945	7,159,307	15,405,403	7,436,306	3,864,582	1,289,347
Morris Civic/Palais Royale	12,604,751	-	1,613,622	4,440	150,247	10,836,442
Studebaker Museum	480,000	-	480,000	-	-	-
Total Culture and Recreation	48,239,696	7,159,307	17,499,025	7,440,746	4,014,829	12,125,789
Urban Redevelopment and Housing	463,041	310,411	-	4,436	148,194	-
Health:						
Animal Control	209,860	-	-	104,619	100,226	5,015
Total General Fixed Assets	\$ 92,654,699	\$ 7,757,532	\$ 25,241,625	\$ 9,022,383	\$ 26,150,090	\$ 24,483,069

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 1999

<u>Function and Activity</u>	<u>General Fixed Assets January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets December 31, 1999</u>
General Government:				
Mayor	\$ 71,409	\$ 12,200	\$ 18,826	\$ 66,983
City Clerk	61,754	10,850	34,788	37,818
City Council	24,080	-	3,500	20,580
Controller	772,044	7,987	274,543	505,488
City Attorney	28,357	4,181	16,813	15,725
Equipment Services	2,233,283	-	-	2,233,283
Building Maintenance	47,988	-	-	47,988
Human Rights	36,037	-	21,863	14,174
Neighborhood Code Enforcement	451,793	-	72,985	378,808
Code Enforcement - Building	53,628	-	53,628	-
County-City Building	1,242,133	-	-	1,242,133
Information Technology	152,934	13,450	68,270	98,114
Leighton Plaza Parking Garage	8,616,013	3,736,252	-	12,352,265
Total General Government	13,791,433	3,784,920	563,014	17,013,339
Public Safety:				
Communication Bureau	500,289	-	500,289	-
Police Department	9,184,611	641,322	992,507	8,813,426
Fire Department	9,057,175	2,188,365	288,975	10,956,565
Weights and Measures	1,106	-	1,106	-
Total Public Safety	18,723,181	2,829,687	1,782,877	19,769,991
Highways and Streets:				
Engineering	261,702	-	63,929	197,773
Traffic and Lighting	514,114	35,742	41,529	508,327
Maintenance	6,769,405	391,470	908,203	6,252,672
Total Highways and Streets	7,545,221	427,212	1,013,661	6,958,772
Culture and Recreation:				
Park and Recreation	34,443,052	2,076,975	1,365,082	35,154,945
Morris Civic/Palais Royale	4,547,914	8,056,837	-	12,604,751
Studebaker Museum	480,000	-	-	480,000
Total Culture and Recreation	39,470,966	10,133,812	1,365,082	48,239,696
Urban Redevelopment and Housing	589,023	4,436	130,418	463,041
Health:				
Animal Control	190,655	27,705	8,500	209,860
Total General Fixed Assets	\$ 80,310,479	\$ 17,207,772	\$ 4,863,552	\$ 92,654,699

INVESTMENT IN OUR BUDGET

Distribution of City Property Taxes



CITY OF SOUTH BEND, INDIANA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
TEN YEAR HISTORICAL TREND INFORMATION

Fiscal Year	General Government	Public Safety	Highways and Streets	Health & Welfare	Culture & Recreation	Debt Service	Urban Redevelopment and Housing	Capital Outlay	TOTAL
1990	\$ 10,432,957	\$ 15,439,877	\$ 6,428,328	\$ 50,000	\$ 5,346,968	\$ 4,263,843	\$ 5,288,448	\$ 3,623,661	\$ 50,874,082
1991	11,508,262	17,231,694	4,478,356	50,000	5,645,278	5,540,877	5,442,701	5,388,086	55,285,254
1992	12,294,347	18,858,088	5,125,447	50,000	6,557,425	5,018,155	4,717,031	7,709,468	60,329,961
1993	6,715,248	21,103,258	6,851,714	50,000	6,502,882	4,396,973	5,495,224	11,141,665	62,256,964
1994	5,472,875	23,781,379	9,694,101	52,500	7,182,639	8,747,896	5,727,267	12,958,181	73,616,838
1995	6,144,060	25,122,625	9,531,276	52,500	8,520,052	5,328,917	6,472,869	17,101,428	78,273,727
1996	5,807,057	25,816,382	9,865,081	254,139	9,548,116	5,916,759	5,880,821	9,660,265	72,748,620
1997	5,555,467	29,219,564	12,402,630	57,750	9,768,438	5,013,866	5,837,374	11,013,723	78,868,812
1998	5,492,450	31,117,048	9,941,076	60,000	9,259,081	4,120,682	7,309,229	21,154,637	88,454,203
1999	5,086,242	33,981,313	11,339,275	60,000	10,049,811	4,641,072	6,330,843	24,575,255	96,063,811

Includes all Governmental Fund Types

**CITY OF SOUTH BEND, INDIANA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
TEN YEAR HISTORICAL TREND INFORMATION**

Fiscal Year	Taxes	Special Assessments	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Interest	Miscellaneous	TOTAL
1990	\$ 29,906,130	\$ 2,301	\$ 312,232	\$ 7,624,674	\$ 2,859,338	\$ 99,466	\$ **	\$ 4,616,487	\$ 45,420,628
1991	37,303,992	2,300	252,409	6,977,565	3,452,822	18,741	2,125,386	2,421,286	52,554,501
1992	38,794,513	0	713,242 *	7,755,700	3,740,953	15,261	1,273,274	2,244,184	54,537,127
1993	40,608,743	0	882,324 *	8,341,733	4,152,882	27,783	1,085,326	2,167,021	57,265,812
1994	42,868,606	0	107,655	10,569,862	5,316,687	64,334	1,457,208	2,615,456	62,999,808
1995	45,480,131	0	125,122	10,444,657	6,227,676	92,963	2,203,516	4,459,675	69,033,740
1996	49,383,980	0	157,310	10,359,268	6,651,705	81,519	1,857,051	4,012,731	72,503,564
1997	48,960,036	0	168,372	13,278,474	8,192,372	171,242	2,345,052	3,231,567	76,347,115
1998	55,898,999	0	183,921	12,959,011	9,766,032	215,956	3,082,884	3,322,055	85,428,858
1999	57,444,633	0	188,405	15,271,114	10,448,053	311,897	3,032,613	3,365,109	90,061,824

Includes all Governmental Fund Types and Expendable Trust Funds

* Includes the results of the County/City Building Department.

** Interest was included with miscellaneous revenue prior to 1991.

**CITY OF SOUTH BEND, INDIANA
PROPERTY TAX LEVIES AND COLLECTIONS
TEN YEAR HISTORICAL TREND INFORMATION**

<u>Tax Year/ Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Current Tax Collections as a Percent of Tax Levy</u>	<u>Delinquent Tax & Penalty Collections</u>	<u>Total Tax Collections</u>	<u>Total Tax Collections as a Percent of Current Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as a Percent of Current Tax Levy</u>
1989/1990	\$ 31,218,476	\$ 27,381,217	87.71%	\$ 1,105,156	\$ 28,486,373	91.25%	\$ 1,924,722	6.17%
1990/1991	31,297,251	29,312,405	93.66%	1,570,836	30,883,241	98.68%	2,852,475	9.11%
1991/1992	32,521,221	31,613,036	97.21%	904,070	32,517,106	99.99%	2,585,156	7.95%
1992/1993	30,031,156	28,595,332	95.22%	549,814	29,145,146	97.05%	2,780,900	9.26%
1993/1994	29,144,757	27,952,717	95.91%	1,590,953	29,543,670	101.37%	2,121,757	7.28%
1994/1995	31,002,221	29,829,614	96.22%	1,791,981	31,621,595	102.00%	1,947,075	6.28%
1995/1996	40,936,170 *	39,490,374 *	96.47%	925,926	40,416,300	98.73%	1,533,820	3.75%
1996/1997	41,866,708 *	39,906,351 *	95.32%	647,548	40,553,899	96.86%	3,104,837	7.42%
1997/1998	42,994,254 *	41,133,123 *	95.67%	1,498,536	42,631,660	99.16%	2,867,121	6.67%
1998/1999	45,129,628 *	42,923,701 *	95.11%	1,392,698	44,316,398	98.20%	3,394,700	7.52%

* Total taxes levied and collected include both Homestead Tax Credits and State Property Tax Replacement Credits. Prior to 1996 these credits were not included in the above information.

CITY OF SOUTH BEND, INDIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
TEN YEAR HISTORICAL TREND INFORMATION

Tax Year/ Collection Year	Real Property			Personal Property			Utilities			TOTAL	
	Assessed Value	Estimated Value		Assessed Value	Estimated Value		Assessed Value	Estimated Value		Assessed Value	Estimated Value
1989/1990	\$ 494,756,776	\$ 1,484,270,328	\$	\$ 131,705,499	\$ 395,116,497	\$	\$ 20,268,470	\$ 60,805,410	\$	\$ 646,730,745	\$ 1,940,192,235
1990/1991	450,489,492	1,351,468,476		140,156,562	420,469,686		23,934,710	71,804,130		614,580,764	1,843,742,292
1991/1992	447,541,974	1,342,625,922		144,739,673	434,219,019		25,291,440	75,874,320		617,573,087	1,852,719,261
1992/1993	451,886,055	1,355,658,165		146,769,523	440,308,569		24,673,830	74,021,490		623,329,408	1,869,988,224
1993/1994	451,978,420	1,355,935,260		148,102,742	444,308,226		25,390,750	76,172,250		625,471,912	1,876,415,736
1994/1995	450,571,020	1,351,713,060		155,508,460	466,525,380		26,946,050	80,838,150		633,025,530	1,899,076,590
1995/1996	416,771,801	1,250,315,403		168,912,208	506,736,624		23,587,030	70,761,090		609,271,039	1,827,813,117
1996/1997	412,196,114	1,236,588,342		175,914,981	527,744,943		23,734,600	71,203,800		611,845,695	1,835,537,085
1997/1998	414,421,223	1,243,263,669		181,879,676	545,639,028		22,850,850	68,552,550		619,151,749	1,857,455,247
1998/1999	418,589,739	1,255,769,217		183,410,077	550,230,231		23,807,830	71,423,490		625,807,646	1,877,422,938
1999/2000*	417,107,034	1,251,321,102		203,975,332	611,925,996		25,550,230	76,650,690		646,632,596	1,939,897,788

Obtained from St. Joseph County Auditor's office.

Real property was reassessed effective in 1989 payable in 1990 and again in 1995 payable in 1996.

*The 1999 values on taxable property payable in 2000 ("1999/2000") were established in March 2000 and are shown here for comparable purposes.

CITY OF SOUTH BEND, INDIANA
DETAIL OF NET ASSESSED VALUATION
(For the Year 1998 Payable 1999)

	South Bend Centre Twp	South Bend Clay Twp	South Bend German Twp	South Bend Penn Twp	South Bend Portage Twp	TOTALS
Value of land	\$ 12,342,440	\$ 2,566,280	\$ 7,711,350	\$ 1,573,410	\$ 62,942,010	\$ 87,135,490
Value of improvements	65,444,760	13,805,580	52,850,440	11,315,200	395,207,920	538,623,900
Total value of real estate	77,787,200	16,371,860	60,561,790	12,888,610	458,149,930	625,759,390
Less: Mortgage, veterans, blind, age 65 & other exemptions	(9,546,904)	(1,470,000)	(8,246,970)	(344,000)	(65,606,526)	(85,214,400)
Tax-exempt property	(5,032,170)	(1,251,430)	(2,884,490)	(3,088,220)	(72,215,507)	(84,471,817)
Tax increment financing	0	0	(20,034,497)	0	(17,448,937)	(37,483,434)
Net value of real estate	63,208,126	13,650,430	29,395,833	9,456,390	302,878,960	418,589,739
Gross personal property assessments	13,973,880	2,993,290	55,544,280	379,110	174,712,911	247,603,471
Less: Exemptions / Deductions	(1,320)	0	(4,030,326)	0	(28,654,046)	(32,685,692)
Tax-exempt property	(426,210)	(248,070)	(679,660)	(206,110)	(25,838,212)	(27,398,262)
Tax increment financing	0	0	0	0	(4,109,440)	(4,109,440)
Net value of personal property	13,546,350	2,745,220	50,834,294	173,000	116,111,213	183,410,077
Net assessed value of utilities	1,389,130	624,280	2,496,680	253,630	19,044,110	23,807,830
Total net assessed valuation	\$ 78,143,606	\$ 17,019,930	\$ 82,726,807	\$ 9,883,020	\$ 438,034,283	\$ 625,807,646

Obtained from St. Joseph County Auditor's Office.

CITY OF SOUTH BEND, INDIANA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
TEN YEAR HISTORICAL TREND INFORMATION

<u>Tax Year/ Collection Year</u>	<u>Population*</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1989/1990	105,511	\$ 646,730,745	\$ 10,860,000	\$ 3,240,823	\$ 7,619,177	1.18%	\$ 72.21
1990/1991	105,511	614,580,764	5,600,000	397,961	5,202,039	0.85%	49.30
1991/1992	106,600	617,573,087	5,250,000	450,000	4,800,000	0.78%	45.03
1992/1993	106,600	623,329,408	4,800,000	100,000	4,700,000	0.75%	44.09
1993/1994	107,000	625,471,912	4,700,000	100,000	4,600,000	0.74%	42.99
1994/1995	105,511	633,025,530	4,600,000	100,000	4,500,000	0.71%	42.65
1995/1996	105,511	609,271,039	4,500,000	100,000	4,400,000	0.72%	41.70
1996/1997	102,100	611,845,695	4,530,000	220,000	4,310,000	0.70%	42.21
1997/1998	102,100	619,151,749	4,085,000	230,000	3,855,000	0.62%	37.76
1998/1999	99,417	625,807,646	3,620,000	240,000	3,380,000	0.54%	34.00

* Population statistics obtained from the U.S. Census Bureau estimates which are done every two years.

CITY OF SOUTH BEND, INDIANA
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 1999

	<u>Redevelopment</u>
Net Assessed Valuation (1999 pay 2000) of Taxable Property in South Bend	\$ 646,632,596
Debt limit: 2% of net assessed value	12,932,652
Amount of debt applicable to limit:	
Total bonded debt subject to debt limit: Studebaker Bond	\$ 3,620,000
Less: Cash on hand designated for debt service	<u>240,000</u>
Total debt applicable to debt limit	<u>3,380,000</u>
Legal debt margin	<u>\$ 9,552,652</u>

	<u>Civil City</u>
Net Assessed Valuation (1999 pay 2000) of Taxable Property in South Bend	\$ 646,632,596
Debt limit: 2% of net assessed value	12,932,652
Amount of debt applicable to limit:	
Total bonded debt subject to debt limit: EDJT Bonds	\$ 11,345,000
Less: Cash on hand designated for debt service	<u>195,000</u>
Total debt applicable to debt limit	<u>11,150,000</u>
Legal debt margin	<u>\$ 1,782,652</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 EDJT 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
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
TEN YEAR HISTORICAL TREND INFORMATION

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service To Total General Expenditures
1990	\$ 550,000	\$ 145,087	\$ 695,087	\$ 50,874,082	1.4
1991	550,000	515,059	1,065,059	55,285,254	1.9
1992	350,000	412,690	762,690	60,329,961	1.3
1993	450,000	372,326	822,326	62,256,964	1.3
1994	100,000	344,612	444,612	73,616,838	0.6
1995	100,000	336,518	436,518	78,273,727	0.6
1996	100,000	328,519	428,519	72,748,620	0.6
1997	320,000	282,010	602,010	78,868,812	0.8
1998	445,000	207,418	652,418	88,454,203	0.7
1999	465,000	188,173	653,173	96,063,811	0.7

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF REVENUE BOND COVERAGE
WASTEWATER UTILITY BONDS
TEN YEAR HISTORICAL TREND INFORMATION

Year	Gross Operating Revenue	Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
1990	\$ 13,681,271	\$ 7,191,015	\$ 6,490,256	\$ 0	\$ 689,888	\$ 689,888	941%
1991	14,070,907	10,964,243	3,106,664	0	689,888	689,888	450%
1992	14,045,774	8,949,521	5,096,253	275,000	680,950	955,950	533%
1993	12,354,010	6,418,920	5,935,090	885,000	556,005	1,441,005	412%
1994	12,136,147	6,514,837	5,621,310	450,000	463,058	913,058	616%
1995	12,429,477	7,321,788	5,107,689	465,000	447,757	912,757	560%
1996	12,236,891	6,461,915	5,774,976	480,000	486,459	966,459	598%
1997	12,536,805	6,432,719	6,104,086	500,000	410,838	910,838	670%
1998	12,584,026	6,577,011	6,007,015	515,000	389,838	904,838	664%
1999	12,502,608	7,163,295	5,339,313	560,000	366,663	926,663	576%

* Operating expenses exclude depreciation and payment in lieu of taxes.

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF REVENUE BOND COVERAGE
WATER UTILITY BONDS
HISTORICAL TREND INFORMATION

Year	Gross Operating Revenue	Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
1993	\$ 5,785,474	\$ 4,706,536	\$ 1,078,938	\$ 0	\$ 40,050	\$ 40,050	2694%
1994	6,457,198	4,883,805	1,573,393	210,000	240,300	450,300	349%
1995	6,528,114	5,058,179	1,469,935	220,000	233,160	453,160	324%
1996	6,568,680	5,499,290	1,069,390	235,000	224,800	459,800	233%
1997	6,564,766	5,625,430	939,336	250,000	215,165	465,165	202%
1998	10,410,313	5,545,310	4,865,003	1,385,000	1,313,900	2,698,900	180%
1999	10,873,836	6,431,774	4,442,062	1,535,000	1,168,185	2,703,185	164%

* Operating expenses exclude depreciation and payment in lieu of taxes.

CITY OF SOUTH BEND, INDIANA
DETAIL OF CITY TAX RATE
TEN YEAR HISTORICAL TREND INFORMATION
(Per \$100 of Assessed Value)

	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000*
Components of City Tax Rate:											
Corporation General Fund	\$ 3.4544	\$ 3.9095	\$ 4.0480	\$ 4.2455	\$ 4.5045	\$ 4.6768	\$ 5.2136	\$ 5.3247	\$ 5.4927	\$ 5.7504	\$ 5.8440
Park & Recreation Fund	0.4896	0.6773	0.5682	0.7154	0.7737	0.8034	0.8916	0.9082	0.9410	0.9851	0.9906
Firefighters' Pension Fund	0.2990	0.0898	0.2144	0.2223	0.1437	0.1494	0.1644	0.1673	0.1733	0.1815	0.1825
Police Pension Fund	0.1900	0.1557	0.1614	0.1757	0.1431	0.1487	0.1636	0.1500	0.1555	0.1627	0.1636
Cumulative Capital Development Fund	0.0839	0.1200	0.1200	0.1200	0.1200	0.1200	0.1196	0.1200	0.1500	0.1500	0.1500
Morris Civic/Civic Center Fund	0.0360	0.0376	0.0424	0.0150	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Park Bond Fund	0.0443	0.0636	0.0562	0.0011	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Urban Redevelopment Bond Fund	0.0580	0.0036	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Building Demolition Fund	0.0054	0.0138	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Discovery Hall Museum Fund	0.0218	0.0305	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Junk Vehicle Fund	0.0039	0.0030	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stadium Bond Fund	0.1408	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total City rate	\$ 4.8271	\$ 5.1064	\$ 5.2106	\$ 5.4950	\$ 5.6850	\$ 5.8983	\$ 6.5528	\$ 6.6702	\$ 6.9125	\$ 7.2297	\$ 7.3307

Real property was reassessed effective in 1989 payable in 1990 and again in 1995 payable in 1996.

*The 1999 tax rates payable in 2000 ("1999/2000") were established in March 2000 and are shown here for comparable purposes.

CITY OF SOUTH BEND, INDIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
TEN YEAR HISTORICAL TREND INFORMATION
(Per \$100 of Assessed Valuation in the South Bend - Portage Taxing District)

Tax Year/ Collection Year	City	County	School Districts	Townships	Redevelopmt District	Library	Airport/ Transportation	State	TOTAL
1989/1990	\$ 4.8271	\$ 1.8749	\$ 4.0765	\$ 0.0539	\$ 0.0000	\$ 0.4798	\$ 0.3085	\$ 0.0100	\$ 11.6307
1990/1991	5.1064	1.9762	4.9225	0.0632	0.2813	0.5184	0.3273	0.0100	13.2053
1991/1992	5.2106	2.5293	5.2089	0.0659	0.1586	0.6234	0.3374	0.0100	14.1441
1992/1993	5.4950	2.3795	4.9691	0.4140	0.1744	0.6422	0.3113	0.0100	14.3955
1993/1994	5.6850	2.6505	5.2573	0.0757	0.2465	0.6455	0.3227	0.0100	14.8932
1994/1995	5.8983	2.7700	5.1500	0.4030	0.1941	0.6674	0.4004	0.0100	15.4932
1995/1996	6.5528	2.9274	5.8055	0.0892	0.2085	0.7061	0.3539	0.0100	16.6534
1996/1997	6.6702	3.2256	5.8594	0.0920	0.0743	0.7106	0.3626	0.0100	17.0047
1997/1998	6.9125	3.0079	6.0293	0.0967	0.1255	0.6886	0.3722	0.0100	17.2427
1998/1999	7.2297	3.5002	5.8978	0.1020	0.0795	0.6933	0.4271	0.0100	17.9396
1999/2000(1)	7.3307	3.1142	5.9365	0.2256	0.0954	0.7059	0.4213	0.0100	17.8396

Obtained from the St. Joseph County Auditor's office.

NOTES:

- (1) The 1999 tax rates payable in 2000 ("1999/2000") were established in March 2000 and are shown here for comparable purposes.
- (2) Real property was reassessed effective in 1989 payable in 1990 and again in 1995 payable in 1996.
- (3) All tax rates exhibited are before deduction of 14.0% to 16.5% thereof for property tax relief funds provided from the State of Indiana tax sources and before deduction of homestead credits.

CITY OF SOUTH BEND, INDIANA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 1999

	Gross Bonded Debt	Percentage Applicable to South Bend	Amount Applicable to South Bend	Debt Per Capita	Ratio of Debt/ Estimated Market Value
<u>Direct Debt:</u>					
City of South Bend					
General Obligation Bonds	\$ 3,620,000	100.00%	\$ 3,620,000		
Revenue Bonds*	50,100,000	100.00%	50,100,000		
First Mortgage Bonds	2,383,664	100.00%	2,383,664		
Total Direct Debt			56,103,664	\$ 531.73	2.9%
<u>Overlapping Debt:</u>					
St. Joseph County	\$ 63,985,000	34.31%	21,953,254		
St. Joseph County Public Library	4,775,000	55.32%	2,641,530		
South Bend Community Schools	77,248,750	57.71%	44,580,254		
Penn-Harris-Madison School Corp.	125,634,146	2.27%	2,851,895		
Mishawaka Penn Township Public Library	6,115,000	2.38%	145,537		
Total Overlapping Debt			72,172,469	684.03	3.7%
Total Direct and Overlapping Debt			\$ 128,276,133	\$ 1,215.76	6.6%

* Includes revenue bonds payable from governmental funds only (excludes revenue bonds payable from Enterprise Funds).

Per Capita and Debt Ratio Analysis
Population - 1990 US Census Bureau 105,511
Net Assessed Valuation for 1999 payable 2000 \$ 646,632,596
Estimated Market Value (3 times NAV) \$ 1,939,897,788

CITY OF SOUTH BEND, INDIANA
COUNTY INCOME TAX REVENUE
ANALYSIS OF HISTORICAL AND PROJECTED CERTIFIED DISTRIBUTIONS

ECONOMIC DEVELOPMENT INCOME TAX (EDIT) REVENUE

Distribution Year	EDIT Tax Rate*	Total Est County EDIT Collections	Rate of Growth	South Bend EDIT Distribution	Rate of Growth	South Bend as a Percent of Total
2000	0.20%	\$ 8,717,424	5.62%	\$ 3,104,984	-1.63%	35.6%
1999	0.20%	8,253,561	5.15%	3,156,441	9.93%	38.2%
1998	0.20%	7,849,187	106.56% *	2,871,297	95.86% *	36.6%
1997	0.10%	3,800,000	7.28%	1,466,029	6.03%	38.6%
1996	0.10%	3,542,060	N/A	1,382,670	N/A	39.0%

* 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.

COUNTY OPTION INCOME TAX (COIT) REVENUE

Distribution Year	COIT Tax Rate**	Total County COIT Collections**	Rate of Growth	South Bend COIT Distribution**	Rate of Growth	South Bend as a Percent of Total
2000	0.40%	\$ 7,352,745	32.75%	\$ 2,356,244	38.71%	32.0%
1999	0.30%	5,538,599	137.16%	1,698,624	132.03%	30.7%
1998	0.20%	2,335,430	N/A	732,080	N/A	31.3%

** 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 increases 0.1% each year until it reaches 0.6% as of July 1, 2001. The above collections/distribution amounts are net of the additional 6% (1998), 7% (1999) and 8% (2000) homestead credits that accompanied the passage of this income tax.

CITY OF SOUTH BEND, INDIANA
DEMOGRAPHIC STATISTICS
TEN YEAR HISTORICAL TREND INFORMATION

Year	Population	Percent Increase/ (Decrease)	Median Household Effective Buying Income*	Percent Increase/ (Decrease)	School Enrollment	Percent Increase/ (Decrease)	Unemployment	Percent Increase/ (Decrease)	Labor Force	Percent Increase/ (Decrease)	Percent of Labor Force Employed
1990	105,511	-0.6%	\$ 27,480	11.2%	25,684	-1.7%	4,024	29.9%	58,622	-2.1%	93%
1991	105,511	N/A	29,931	8.9%	21,427	-16.6%	4,107	2.1%	56,606	-3.4%	93%
1992	106,600	1.0%	30,648	2.4%	25,576	19.4%	4,747	15.6%	50,615	-10.6%	91%
1993	106,600	N/A	31,260	2.0%	25,752	0.7%	3,787	-20.2%	51,434	1.6%	93%
1994	107,000	0.4%	32,605	4.3%	23,003	-10.7%	5,990	58.2%	56,970	10.8%	89%
1995	105,511	-1.4%	34,845	6.9%	25,784	12.1%	3,270	-45.4%	52,489	-7.9%	94%
1996	105,511	N/A	36,883	5.8%	26,045	1.0%	3,061	-6.4%	55,550	5.8%	94%
1997	102,100	-3.2%	33,124	-10.2%	25,586	-1.8%	2,574	-15.9%	56,084	1.0%	95%
1998	102,100	N/A	35,249	6.4%	25,606	0.1%	2,160	-16.1%	55,850	-0.4%	96%
1999	99,417	-2.6%	34,203	-3.0%	25,805	0.8%	2,370	9.7%	55,380	-0.8%	96%

* Includes all of St. Joseph County.

Population statistics obtained from the U.S. Census Bureau estimates which are done every two years.
 Effective Buying Income statistics come from "Survey of Buying Power", Sales and Marketing Management, Annual editions, 1990-1999.
 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.

CITY OF SOUTH BEND, INDIANA
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 000's)	Residential Value Increase/ (Decrease)	Commercial Number of Permits	Commercial Value (in 000's)	Public Utility Number of Permits	Public Utility Value (in 000's)	Manufacturing Number of Permits	Manufacturing Value (in 000's)	Commercial, Public Utility and Manufacturing Total Value (in 000's)	Total Value Increase/ (Decrease)
1990	132	\$ 11,992	-50.8%	34	\$ 16,885	1	\$ 210	2	\$ 620	\$ 17,715	-44.4%
1991	98	8,731	-27.2%	34	17,492	0	0	2	291	17,783	0.4%
1992	112	11,028	26.3%	22	14,064	0	0	17	11,547	25,611	44.0%
1993	115	10,987	-0.4%	21	15,687	0	0	5	7,846	23,533	-8.1%
1994	97	10,194	-7.2%	28	9,625	0	0	4	1,855	11,480	-51.2%
1995	81	7,295	-28.4%	26	17,633	0	0	6	6,247	23,880	108.0%
1996	117	11,505	57.7%	31	12,845	0	0	2	2,535	15,380	-35.6%
1997	120	10,687	-7.1%	27	40,985	0	0	2	6,500	47,485	208.7%
1998	143	13,586	27.1%	27	28,275	0	0	2	4,870	33,145	-30.2%
1999	186	19,119	40.7%	40	52,735	0	0	2	4,760	57,495	73.5%

Obtained from the Consolidated City/County Building Department.

Year	Banks		Savings and Loans		Credit Unions		Total Deposits in Financial Institutions Amount	Percent Increase/ (Decrease)
	Number of Branches	Deposits at June 30	Number of Branches	Deposits at June 30	Number of Branches	Deposits at June 30		
1990	38	\$ 1,293,286	9	\$ 306,018	10	\$ 537,661	2,136,965	2.7%
1991	35	1,285,421	8	310,459	10	592,845	2,188,725	2.4%
1992	35	1,274,878	8	304,170	10	629,132	2,208,180	0.9%
1993	38	1,396,414	10	298,859	10	668,621	2,363,894	7.1%
1994	39	1,452,313	9	325,867	10	702,614	2,480,794	4.9%
1995	37	1,522,747	9	281,873	10	738,043	2,542,665	2.5%
1996	36	1,274,544	9	313,795	9	794,437	2,382,776	-6.3%
1997	33	1,386,678	9	278,628	9	827,635	2,492,941	4.6%
1998	31	1,556,550	7	269,054	10	1,001,584	2,827,188	13.4%
1999	31	1,571,337	9	336,305	11	1,064,852	2,972,494	5.1%

[illegible]

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**CITY OF SOUTH BEND, INDIANA
CITY'S TEN LARGEST TAXPAYERS
December 31, 1999**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1998/1999 Assessed Value</u>	<u>Percentage of Total Assessed Valuation</u>
Honeywell (formerly Allied Signal)	Airplane & Auto Parts	\$ 24,974,110	3.99%
Indiana Bell Telephone Company	Telephone Utility	9,710,500	1.55%
Edward Rose of Indiana	Apartments & Real Estate	8,653,070	1.38%
American Electric Power Company	Electric Utility	7,258,510	1.16%
Ameritech	Communications	6,892,710	1.10%
Northern Indiana Public Service Company	Gas Utility	5,581,450	0.89%
Massachusetts Mutual Life	Insurance	4,497,116	0.72%
New Energy Company	Ethanol Plant	4,471,090	0.71%
Meijer Inc.	Retail Store	4,036,090	0.64%
Federal-Mogul (formerly A E Goetze)	Manufacturing	3,912,760	0.63%
Total Net Assessed Value for the Ten Largest Taxpayers		<u>\$ 79,987,406</u>	12.78%
Total Net Assessed Value for the City		<u>\$ 625,807,646</u>	100.00%

Obtained from St. Joseph County Auditor's office.

CITY OF SOUTH BEND, INDIANA
CITY'S TEN LARGEST WATER CUSTOMERS
December 31, 1999

Name	1999 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend - Clay Utility	\$ 600,646	5.52%	607,981
Honeywell (formerly Allied Signal)	204,156	1.88%	367,870
South Bend Community Schools	121,557	1.12%	134,534
Memorial Health Systems	69,398	0.64%	126,327
Kokoku Wire Industries Corp.	64,415	0.59%	126,280
St. Joseph's Care Group	59,344	0.55%	97,016
Williams, Ralph M. (Park Jefferson Apt)	40,274	0.37%	79,810
Aramark Uniform Services Inc.	35,038	0.32%	66,080
Nimet Industries Inc.	20,325	0.19%	35,931
Countyside Association	11,913	0.11%	18,036
Total of Ten Largest Water Customers	\$ 1,227,066	11.28%	
Total for Operating Revenue for Water Works	\$ 10,873,836	100.00%	

*Hundreds of Cubic Feet

CITY OF SOUTH BEND, INDIANA
MISCELLANEOUS STATISTICS
 Incorporated 1865
 County Seat of St. Joseph County, Indiana

POLICE DEPARTMENT

Authorized Officers 257
 Vehicles 290
 Special Officer Groups:
 K-9 Patrols 8
 SWAT Team 16
 Metro Drug Task Force (of 20 total) 16
 NEST - Special Neighborhood Unit 8
 Bicycle Patrol Officers 6
 Motorcycle Patrol Officers 2
 Community Relations Officers 10
 D.A.R.E. Officers 4
 Crime Prevention Officers 5
 1999 Crime Data:
 Murders 17
 Rapes 76
 Robbery 357
 Aggravated Assault 334
 Residential Burglary 1,334
 Non-residential Burglary 924
 Larceny 5,060
 Theft - Auto 718
 Arson 67
 Call for Service 297,470
 Dispatches 118,988
 Miles Driven 3,788,659

SEWER UTILITY

Customers 40,240
 Dry Tons of Sludge produced per year 3,797 *
 *(English Tons)
 Miles of Sanitary Sewer Lines 550
 Miles of Storm Sewer Lines 240

DEPARTMENT OF PUBLIC WORKS

Traffic Lights 167
 Street Lights (City maintained) 1,084
 Miles of Streets 462
 Miles of Sidewalks 897
 Miles of Alleys 299
 Miles of Sanitary Sewers and Storm Drains 535
 City Owned Vehicles 1,057
 Trash Picked Up Per Week (in tons) 700 /wk
 (Organic Resource & Landfill) (240,000 Cu. Yd)

SIGN SHOP

Work orders for sign maintenance, installation or removal 1,450
 Gallons of traffic paint for street markings 6,475
 Pre-formed plastic arrows used for street markings 164
 Built Portables 1,600
 Center Line Tape (Yellow) - in feet 2,800
 Center Line Tape (White) - in feet 2,200
 Railroad Crossings 2
 Stop Bar 24" - in feet 200
 Stop Bar 16" - in feet 400
 Built Barricades 300
 Special Signs Built 300

Barricades set up for 1999 events (# of events):

Block Parties 69
 Parades 7
 Run/Walkathons & Special Events 35
 Notre Dame Football Games 7
 Fireworks - Coveleski Stadium 5

FIRE DEPARTMENT

Paid Department established 1887

Sworn Firefighters 248
 (51 of which are Paramedics)
 Fire Apparatus 20
 Hazardous Materials Truck 1
 Reserve Pumper Trucks 2
 Reserve Ladder Trucks 2
 River Rescue Boats 3
 Ambulances 10
 Neonatal (Newborn) Units 3
 Fire Runs 19,024
 Ambulance Runs 9,925

Laid 28,610 feet (9.65 miles of hose hook up to hydrant, to location)

WATER UTILITY

Customers/Meters 43,246
 Wells/Pumps in service 65
 Pumping Capacity 65 m.g.d.
 Daily Consumption 21.9 m.g.d.
 Peak Demand 45 m.g.d.
 Miles of Distribution Systems 494 miles

CITY OF SOUTH BEND, INDIANA MISCELLANEOUS STATISTICS (Continued)

SOUTH BEND REGIONAL AIRPORT

Year	Passenger Volume
1990	767,000
1991	765,000
1992	822,464
1993	823,982
1994	859,260
1995	832,918
1996	894,247
1997	991,247
1998	986,350
1999	955,232

The South Bend Regional Airport had over 82,416 take-offs and landings in 1999. Approximately 60 commercial airline flights per day fly to nine hub airports.

Commercial airlines with operations at South Bend Regional Airport:

American Eagle	TWA Express
Comair	U.S. Air
Continental Express	U.S. Air Express
Midway Connection	United Express
Northwest	Delta

TRANSPO

South Bend Public Transportation Corporation

Route Miles	288 miles
1999 Ridership	2.4 million
1999 Miles of Service	1.6 million

CONVENTION FACILITIES

Century Center	64,000 square feet of exhibit space 2,992 available seating 700 seat theater
Morris Performing Arts Center	2,500 available seating
Notre Dame Joyce Athletic and Convocation Center	115,000 square feet of exhibit space 11,345 available seating
Motels	24 motels/hotels 4 Bed and Breakfasts Over 2,900 available rooms

Major motels and meeting rooms:

Marriott	facilities to seat 800
Holiday Inn	facilities to seat 300

OTHER TRANSPORTATION

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

COLLEGES AND UNIVERSITIES

Universities and Colleges	Enrollment
The University of Notre Dame	10,654
Indiana University at South Bend	7,070
St. Mary's College	1,517
Bethel College	1,640
Holy Cross College	487
Purdue Program (IUSB)	269
Tri-State University	122
Technical Colleges	
Indiana Vocational Technical	2,788
Michiana College	325
Davenport College	530

HEALTH

Memorial Hospital, St. Joseph's Regional Medical Center and St. Joseph Community Hospital and other hospitals/specialty hospitals provide over 1,500 beds and staff of over 700 doctors and dentists with health care costs below the national average and lowest in the Midwest region.

COMMUNICATIONS

Access to:

- 4 Major TV Networks, 1 Public Broadcasting Station and 1 Local Station
- 17 FM and 7 AM Radio Stations
- 1 Major Newspaper - The South Bend Tribune and 2 other weekly newspapers

CITY OF SOUTH BEND, INDIANA
INSURANCE COVERAGE
1999

<u>Type of Coverage</u>	<u>Limits of Liability</u>	<u>Estimated Annual Premium</u>
<u>LIABILITY</u>		
Comprehensive General Liability	N/A	Self-Insured
Police Professional Liability	N/A	Self-Insured
Ambulance Malpractice Liability	N/A	Self-Insured
Premises Liability	N/A	Self-Insured
(Clay Utilities, Century Center, Parking Garages)		
CGL - Stadium	N/A	Self-Insured
Liquor Liability	\$1,000,000	\$2,974 Premium
<u>CRIME</u>		
Public Employee Dishonesty	\$1,000,000	\$3,030 Premium
Public Official - Position Schedule Bond	N/A	N/A
<u>PROPERTY</u>		
All risk blanket building contents & BI & Boiler and Machinery	\$400,000,000	\$51,167 Premium \$18,000 Fee
Inland Marine Property Coverage:		
Electronic Equipment	\$2,000,000	Included in above
Contractors Equipment	\$1,000,000	Included in above
Fine Arts Museums	\$5,000,000	Included in above
Valuable Papers	\$1,500,000	Included in above
<u>OTHER</u>		
Workers Compensation	Statutory	Self-Insured
Excess Over Self-insured	Statutory	\$40,660 Premium
\$250,000 Retention Each Accident		\$21,600 Fee \$65,000 Fee

INVESTING IN SOUTH BEND



CHALFANT STREET

The average homeowner in South Bend pays less than \$1.50 per day in property taxes to support the provision of governmental services which most directly impact one's life. Through this investment, the City is able to provide services such as Fire and Police protection, clean and safe drinking water, and programs such as REWARD and the Community Homebuyers Corp, which help citizens become home owners. Our citizens also invest in South Bend with their time, working on volunteer organizations, helping to build homes through programs such as Habitat for Humanity or assisting in the Bureau of Housing's "Make a Difference Day." This investment of both time and money have made our neighborhoods, the fabric of our city, both stronger and safer.

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
4TH FLOOR, ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.state.in.us/sboa

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of South Bend with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of South Bend's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of South Bend's management. Our responsibility is to express an opinion on the City of South Bend's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of South Bend's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of South Bend's compliance with those requirements.

In our opinion, the City of South Bend complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

The management of the City of South Bend is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of South Bend's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1 this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 24, 2000

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 1999

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (Or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant:			
Economic Adjustment Assistance	11.307		\$ 2,005,842
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant:			
Community Development Block Grant/Entitlement Grants	14.218		
		B 98 MC 18 0011	2,648,937
		B 99 MC 18 0011	1,066,559
		Section 108 Loan #4	61,405
		Section 108 Loan #5	381,150
		Section 108 Loan #6	868,787
<i>Total for Program</i>			5,026,838
Emergency Shelter Grants Program (ESG)	14.231		
		S 97 MC 18 0011	4,086
		S 98 MC 18 0011	3,219
		S 99 MC 18 0011	125,563
<i>Total for Program</i>			132,868
Shelter Plus Care	14.238		
		IN 36 C950053	80,279
		IN 36 C960101	16,632
<i>Total for Program</i>			96,911
Fair Housing Assistance Program - State and Local			39,099
<i>Total for Federal Grantor Agency</i>			5,295,716
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant:			
Local Law Enforcement Block Grants Program	16.592		
		96 lbvx 3223	408
		97 lbvx 2564	368,658
		98 lbvx 2564	31,272
<i>Total for Program</i>			400,338
Bulletproof Vest Partnership Program	16.607		
		99000734	4,000
Public Safety Partnership and Community Policing Grants	16.710		
		96 cmwx 1043	47,770
		96 vmwx 1239	100,000
<i>Total for Program</i>			147,770
Federal Equitable Sharing Program	16.Unknown		65,443

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

Continued on Next Page

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 1999
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (Or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE (Continued)</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575		
		97 VA 173	\$ 87,661
		98 VA 032	12,593
		98 VA 048	17,338
		98 VA 081	27,501
		98 VA 084	6,000
		98 VA 138	1,500
		98 VA 140	1,143
		98 VA 141	1,829
<i>Total for Program</i>			<u>155,565</u>
Violence Against Women Formula Grants	16.588		
		97 ST 014	5,791
		98 ST 050	24,768
<i>Total for Program</i>			<u>30,559</u>
<i>Total for Federal Grantor Agency</i>			<u>803,675</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Governor's Council on Impaired and Dangerous Driving Highway Safety Cluster Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
		J7 99 03 03 35	4,704
		J8 99 03 03 31	17,305
<i>Total for Federal Grantor Agency</i>			<u>22,009</u>
<u>U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>			
Direct Grant: Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002		
			<u>48,950</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management Capitalization Grants for State Revolving Funds	66.458		
			<u>4,408,123</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Pass-Through Indiana State Emergency Management Agency Public Assistance Grants	83.544		
			<u>110,348</u>
<i>Total Federal Awards Expended</i>			<u>\$ 12,694,663</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF SOUTH BEND, INDIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of South Bend and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the City of South Bend provided federal awards to Subrecipients as follows for the year ended December 31, 1999:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,383,699
Crime Victim Assistance	16.575	155,565
Violence Against Women Formula Grant	16.588	30,559

Note 3. Loans Outstanding

The City of South Bend had the following Community Development Block Grant (CFDA 14.218) Section 108 loans outstanding as of December 31, 1999:

Loan No. 4	\$ 205,000
Loan No. 5	600,000
Loan No. 6	<u>1,800,000</u>
Total	<u>\$ 2,605,000</u>

CITY OF SOUTH BEND, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified

☐ yes ☒ no

Reportable conditions identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards:

Internal control over major programs:

Material weaknesses identified

☐ yes ☒ no

Reportable conditions identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
16.592	Local Law Enforcement Block Grants Program
16.710	Public Safety Partnership and Community Policing Grants
66.458	Capitalization Grants for State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$380,840

Auditee qualified as low-risk auditee?

☐ yes ☒ no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

COUNTY-CITY BUILDING
SOUTH BEND, INDIANA 46601-1830



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CITY OF SOUTH BEND STEPHEN J. LUECKE, MAYOR
DEPARTMENT OF ADMINISTRATION AND FINANCE
M. CATHERINE ROEMER
CITY CONTROLLER

State Board of Accounts
Room E 418
302 West Washington Street
Indianapolis, IN 46204-2281

TO: STATE BOARD OF ACCOUNTS

Summary schedule of prior audit findings implemented in 1999.

Finding No. 1998-1 Federal Award Identification

Original SBA Audit Report Number: B 12124
Fiscal Year: 1998
Auditee Contact Person: Tom Skarbek
Title of Contact Person: Director of Budgeting & Financial Reporting
Phone Number: 219-235-7678

Status of Finding:

The City in 1999 identified CFDA numbers and titles of all federal grants in use and will continue to use the proper CFDA numbers and titles for all future grants.

Finding No. 1998-2 Internal Control Reportable Conditions

Original SBA Audit Report Number: B 12124
Fiscal Year: 1998
Auditee Contact Person: Tom Skarbek
Title of Contact Person: Director of Budgeting & Financial Reporting
Phone Number: 219-235-7678

Status of Finding:

The City has implemented internal controls in 1999 that addressed each of the deficiencies noted. These include better record keeping and tracking of the cash needs and the expenditures incurred within the proper accounts.

Finding No. 1998-3 Cash Management

Original SBA Audit Report Number: B 12124

Fiscal Year: 1998

Auditee Contact Person: Tom Skarbek

Title of Contact Person: Director of Budgeting & Financial Reporting

Phone Number: 219-235-7678

Status of Finding:

During 1999, the City returned to the Department of Justice the interest earned (\$1,120) over and above the \$250 allowed each fiscal year.

Finding No. 1998-4 Reporting

Original SBA Audit Report Number: B 12124

Fiscal Year: 1998

Auditee Contact Person: Tom Skarbek

Title of Contact Person: Director of Budgeting & Financial Reporting

Phone Number: 219-235-7678

Status of Finding:

During 1999, the City improved its financial reporting to accurately account for expenditures out of City funds and any lease purchase accounts.

Finding No. 1998-5 Period of Availability

Original SBA Audit Report Number: B 12124

Fiscal Year: 1998

Auditee Contact Person: Tom Skarbek

Title of Contact Person: Director of Budgeting & Financial Reporting

Phone Number: 219-235-7678

Status of Finding:

During 1999, the City has disbursed the remaining dollars in the grant to complete and close out the grant. We have also established several new funds for the various grants to avoid the commingling of funds and ensure accounting efficiency. This will also ensure that the grants are completed in a timely manner.

Finding No. 1998-6 Equipment Management

Original SBA Audit Report Number: B 12124

Fiscal Year: 1998

Auditee Contact Person: Tom Skarbek

Title of Contact Person: Director of Budgeting & Financial Reporting

Phone Number: 219-235-7678

Status of Finding:

The City conducted a city-wide inventory in 1999 and is taking the necessary steps to ensure that all assets acquired from grants, if they meet the \$1,000 minimum requirement, are included in the fixed asset inventory.

Finding No. 1998-7 Equipment Procurement

Original SBA Audit Report Number: B 12124

Fiscal Year: 1998

Auditee Contact Person: Tom Skarbek

Title of Contact Person: Director of Budgeting & Financial Reporting

Phone Number: 219-235-7678:

Status of Finding:

The City is now requiring all contractors that receive individual awards for \$100,000 or more to certify that they are not suspended or debarred.

Sincerely,



Tom Skarbek

Director of Budgeting and Financial Reporting