



## CITY OF SOUTH BEND

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING ON DECEMBER 31, 2015

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**CITY OF SOUTH BEND, INDIANA**

Pete Buttigieg, Mayor

John Murphy, City Controller

Jennifer Hockenhill, Deputy City Controller

# City of South Bend, Indiana

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CITY OFFICIALS

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



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

June 30, 2016

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

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

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

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

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

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

## **GENERAL INFORMATION**

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

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

## **Location**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **South Bend History and Amenities**

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Mayoral Leadership**

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

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

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

### **Administration Vision**

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

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

## **Values**

The five core values of the City administration are:

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

## **Community and Governance Results**

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

### **Community Results**

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

### **Governance Results**

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

## **Awards**

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

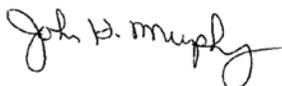
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

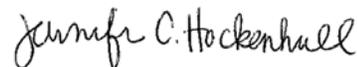
The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Department of Administration and Finance. Each fiscal officer and member of the Administration and Finance Department has our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

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

Sincerely,



John H. Murphy, MPA  
City Controller



Jennifer Hockenhuell, CPA  
Deputy City Controller



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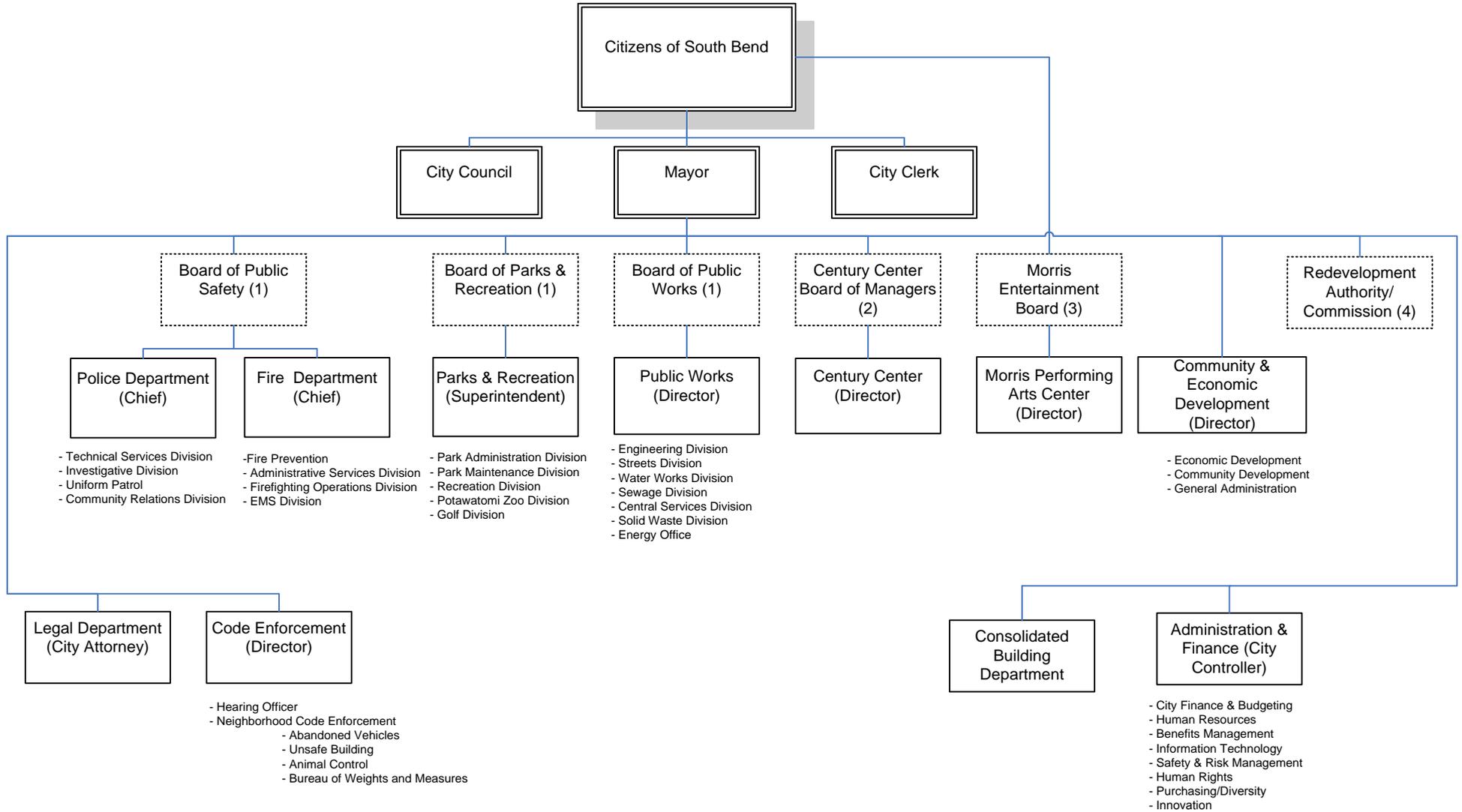
**City of South Bend  
Indiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

# City of South Bend, Indiana Organizational Chart



(1) Board Members include Mayoral Appointments

(2) Board Members include Mayoral and Council Appointments

(3) Board Members include Citizen Appointments

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

Effective as of January 1, 2015



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

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

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

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

***Auditor's Responsibility***

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

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

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

***Opinions***

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Emphasis of Matter***

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

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

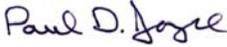
The Combining Balance Sheet, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances, Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, other Budgetary Comparison Schedules, Combining Statements of Net Position, Combining Statements of Revenue, Expenses,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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

June 15, 2016

# City of South Bend, Indiana

## Management's Discussion and Analysis

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

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

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

### Financial Highlights

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

### Overview of the Financial Statements

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

### Government-wide Financial Statements

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

- **Statement of Net Position**

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

- **Statement of Activities**

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Proprietary Funds

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

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

### Fiduciary Funds

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

# **City of South Bend, Indiana**

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

### **Pension Trust Fund Operations**

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

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

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

### **Other Information**

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Government-wide Financial Statements

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

### Statement of Net Position

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

### Statement of Changes in Net Position

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

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

# **City of South Bend, Indiana**

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

### **Governmental Activities**

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

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

### **Business-type Activities**

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

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

### **Financial Analysis of Government Funds**

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

### Governmental Fund Revenue

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

### **Governmental Fund Expenditures**

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Proprietary funds

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

### Fiduciary Funds

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### General Fund Budgetary Highlights

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

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

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

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

### Capital Assets and Debt Administration

#### Statement of Capital Assets

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Major Capital Asset Project Spending in 2015

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

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

### Capital Assets Analysis

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

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

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Debt Administration

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

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

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

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

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

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

# **City of South Bend, Indiana**

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

### **Significant Subsequent Events**

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

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

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

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

#### **Economic Factors**

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

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

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

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

# **City of South Bend, Indiana**

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

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

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

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

### **2016 Budget and Beyond**

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

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

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

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

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

### Requests for Information

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

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

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

City of South Bend  
June 30, 2016

# City of South Bend, Indiana

## Statement of Net Position December 31, 2015

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

# City of South Bend, Indiana

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

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

# City of South Bend, Indiana

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 21,572,776	\$ 1,188,531	\$ 485,764	\$ -
Public safety	56,528,448	529,386	2,545	-
Highways and streets	20,045,444	676,429	-	-
Community and economic development	40,727,612	408,654	1,698,980	-
Culture and recreation	20,300,768	3,726,359	626,192	-
Bond issuance costs	372,432	-	-	-
Interest on long-term debt	4,762,714	-	-	-
<b>Total governmental activities</b>	<b>164,310,194</b>	<b>6,529,359</b>	<b>2,813,481</b>	<b>-</b>
Business-type activities:				
Water Utility	13,609,378	14,204,285	-	-
Wastewater Utility	25,737,867	36,638,804	-	-
Century Center	4,854,747	4,202,564	-	4,683,424
Consolidated Building	3,552,347	2,037,950	-	-
Parking Garage	2,139,182	968,417	-	-
Solid Waste	5,243,972	5,364,871	-	-
Blackthorn Golf Course	165,977	109,949	-	-
Emergency Medical Services	6,596,206	6,470,446	-	-
<b>Total business-type activities</b>	<b>61,899,676</b>	<b>69,997,286</b>	<b>-</b>	<b>4,683,424</b>
<b>Total primary government</b>	<b>\$ 226,209,870</b>	<b>\$ 76,526,645</b>	<b>\$ 2,813,481</b>	<b>\$ 4,683,424</b>

**General revenues:**

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

Total general revenues

**Special Item - Disposal of operations**

Transfers

**Change in Net Position**

**Net Position - Beginning of year (as restated) (Note 25)**

**Net Position - End of year**

## Statement of Activities Year Ended December 31, 2015

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

# City of South Bend, Indiana

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

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

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

# City of South Bend, Indiana

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2015

<b>Fund Balance Reported in Governmental Funds</b>	\$ 200,826,736
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	264,066,595
Prepaid expenses are not available to pay for current period expenditures, and therefore are deferred in the funds	202,880
Net pension assets are not available to pay for current period expenditures, and therefore are reported in the funds	5,321,026
Deferred outflows of resources related to pensions are not available to pay for current period expenditures, and therefore are reported in the funds	21,933,716
Deferred inflows on refunding are not due and payable in the current period and are not reported in the funds	2,520,464
Notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases are not due and payable in the current period and are not reported in the funds	(135,018,317)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,838,382)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(4,481,544)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(20,250,013)
Net OPEB obligations do not present a claim on current financial resources and are not reported as fund liabilities	(11,660,935)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(191,240,248)
Other long-term liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(123)
Internal service funds are included as part of governmental activities	<u>10,478,040</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 140,859,895</u></b>

# City of South Bend, Indiana

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

**Governmental Funds**

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

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

# City of South Bend, Indiana

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2015

<b>Net Change in Fund Balances - Total governmental funds</b>	\$	9,790,817
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capital outlay		9,894,765
Depreciation expense		(19,905,882)
Net book value of assets disposed of and transferred		(3,599,169)
Prepaid expenses recorded in the statement of net position do not require the use of current financial resources, and therefore are not reported in the fund statements		29,314
Debt proceeds (from notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases) provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position		(69,426,593)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)		13,319,392
Payment to bond refunding agent		35,698,815
Other adjustments related to debt premiums, discounts, deferred inflows, and deferred outflows		(4,124,116)
Other adjustments		(141,242)
Changes in accrued interest payable and other		35,784
Changes in compensated absences reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment		(128,705)
Changes in the net OPEB obligation reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment		(1,617,630)
Changes in the net pension asset, net pension liabilities, and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment		13,066,446
Internal service funds are included as part of governmental activities - Net change in position		(397,726)
Adjustment for items included above:		
Prepaid expenses		(4,592)
Capital outlay and other		(181,453)
Depreciation expense		128,868
Accrued interest payable		61
Net book value of assets disposed of		19,832
Repayment of debt principal		(4,682)
Compensated absences		(9,658)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(17,557,354)</u></b>

# City of South Bend, Indiana

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

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

# City of South Bend, Indiana

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

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

# City of South Bend, Indiana

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

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

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

# City of South Bend, Indiana

## Proprietary Funds Statement of Cash Flows Year Ended December 31, 2015

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 13,075,199	\$ 36,557,983	\$ 2,730,525	\$ 16,197,317	\$ 68,561,024	\$ 6,126,912
Receipts from interfund services and reimbursements	1,166,640	33,551	-	344,740	1,544,931	17,122,063
Payments to suppliers	(6,118,997)	(4,434,497)	(1,935,142)	(5,947,550)	(18,436,186)	(20,343,902)
Payments to employees	(4,683,844)	(6,699,583)	(2,148,822)	(8,527,049)	(22,059,298)	(2,862,203)
Internal activity - Payments to other funds	(4,809)	(2,484,115)	-	(771,790)	(3,260,714)	(656,717)
Internal activity - Payments from other funds	(3,267)	-	-	-	(3,267)	-
Net cash provided by (used in) operating activities	3,430,922	22,973,339	(1,353,439)	1,295,668	26,346,490	(613,847)
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	-	-	-	2,663,144	2,663,144	-
Hotel/Motel tax	-	-	1,313,450	-	1,313,450	-
Transfers to other funds	(1,942,608)	(3,497,207)	(50,000)	(19,744)	(5,509,559)	-
Repayments of loans from other funds	-	-	-	(1,472,130)	(1,472,130)	-
Other nonoperating expense	-	(1,474,728)	-	-	(1,474,728)	-
Other nonoperating revenue	-	3,303	72,000	82,679	157,982	-
Net cash (used in) provided by noncapital financing activities	(1,942,608)	(4,968,632)	1,335,450	1,253,949	(4,321,841)	-
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from capital debt refunding	-	27,440,000	-	-	27,440,000	-
Proceeds from capital debt issued for future capital purchase	-	-	-	1,387,899	1,387,899	-
Proceeds from sales of capital assets	8,417	-	-	1,709,703	1,718,120	-
Purchase of capital assets	(216,729)	(6,901,958)	(195,394)	(552,509)	(7,866,590)	(157,335)
Principal paid on capital debt	(1,319,285)	(35,031,335)	-	(1,084,741)	(37,435,361)	(4,682)
Interest paid on capital debt	(732,394)	(5,519,342)	-	(223,193)	(6,474,929)	(284)
Debt service charge	(750)	-	-	-	(750)	-
Net cash (used in) provided by capital and related financing activities	(2,260,741)	(20,012,635)	(195,394)	1,237,159	(21,231,611)	(162,301)
<b>Cash Flows from Investing Activities</b>						
Interest received on investments	71,908	220,095	809	32,801	325,613	64,861
Proceeds from sale and maturities of investment securities	186,071	(2,008,997)	-	(2,123,792)	(3,946,718)	219,363
Net cash provided by (used in) investing activities	257,979	(1,788,902)	809	(2,090,991)	(3,621,105)	284,224
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(514,448)	(3,796,830)	(212,574)	1,695,785	(2,828,067)	(491,924)
<b>Cash and Cash Equivalents - Beginning of year</b>	3,003,875	15,908,607	2,311,538	1,279,744	22,503,764	2,807,666
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 2,489,427</u>	<u>\$ 12,111,777</u>	<u>\$ 2,098,964</u>	<u>\$ 2,975,529</u>	<u>\$ 19,675,697</u>	<u>\$ 2,315,742</u>

# City of South Bend, Indiana

## Proprietary Funds Statement of Cash Flows (Continued) Year Ended December 31, 2015

	Enterprise Funds					Governmental
	Water Utility	Wastewater	Century Center	Nonmajor	Total	Proprietary
		Utility				Enterprise
						Fund
<b>Statement of Net Position Classification of Cash and Cash Equivalents</b>						
Cash and investments	\$ 3,889,248	\$ 8,996,121	\$ 1,096,892	\$ 9,056,778	\$ 23,039,039	\$ 11,308,640
Restricted cash and investments	8,256,321	33,425,359	1,002,072	-	42,683,752	-
Less amounts classified as investments	(9,656,142)	(30,309,703)	-	(6,081,249)	(46,047,094)	(8,992,898)
<b>Total cash and cash equivalents</b>	<b>\$ 2,489,427</b>	<b>\$ 12,111,777</b>	<b>\$ 2,098,964</b>	<b>\$ 2,975,529</b>	<b>\$ 19,675,697</b>	<b>\$ 2,315,742</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>						
Operating income (loss)	\$ 1,585,624	\$ 16,626,983	\$ (2,037,633)	\$ (1,787,024)	\$ 14,387,950	\$ (446,980)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	1,967,340	6,450,920	815,117	1,287,267	10,520,644	128,868
Changes in assets and liabilities:						
Receivables	(12,446)	(122,390)	31,794	1,642,058	1,539,016	(7,698)
Allowance for uncollectable accounts	50,000	80,000	-	-	130,000	-
Due from other funds	(3,267)	919	(10,059)	-	(12,407)	4,798
Inventory	(68,437)	(22,224)	5,430	6,344	(78,887)	(1,269)
Prepaid expenses and other assets	14,410	(1,735)	(1,463)	3,000	14,212	(4,593)
Accounts payable	(27,742)	217,109	(53,260)	(39,756)	96,351	372
Performance deposit	27,045	-	-	-	27,045	-
Due to other funds	(4,809)	500	-	8,679	4,370	2,114
Accrued liabilities and other	(96,796)	-	(103,365)	175,100	(25,061)	(94,290)
Accrued payroll payable	-	(236,479)	-	-	(236,479)	-
Compensated absences payable	-	(20,264)	-	-	(20,264)	-
Estimate of unfiled claims	-	-	-	-	-	(195,169)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,430,922</b>	<b>\$ 22,973,339</b>	<b>\$ (1,353,439)</b>	<b>\$ 1,295,668</b>	<b>\$ 26,346,490</b>	<b>\$ (613,847)</b>
<b>Noncash Investing, Capital, and Financing Activities</b>						
Capital assets acquired through lease	\$ 56,055	\$ 757,190	\$ -	\$ 84,252	\$ 897,497	\$ 24,114
Capital assets disposed (at cost)	411,965	6,416,043	316,875	6,318,423	13,463,306	117,068
Capital asset contribution	-	-	4,683,424	-	4,683,424	-
Work in progress completed transferred to capital assets	2,565,058	-	-	-	2,565,058	-
Accumulated depreciation on disposals of capital assets	275,898	5,580,785	316,875	-	6,173,558	-

# City of South Bend, Indiana

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

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

# City of South Bend, Indiana

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

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

# City of South Bend, Indiana

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## Notes to Financial Statements December 31, 2015

### Note I - Summary of Significant Accounting Policies

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

#### **Reporting Entity**

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

#### **Blended Component Units**

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

The South Bend Building Corporation, Inc. is also a legally separate nonprofit corporation and a significant blended component unit of the City. The Building Corporation is reported as if it were part of the City because its main purpose is to finance construction and remodeling of City buildings. Debt of the Building Corporation is repaid through lease payments from the City. Financial statements for the Building Corporation are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 12th Floor County-City Building, South Bend, Indiana 46601.

#### **Related Organizations**

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The mayor and the Common Council appoint the board members of the South Bend Housing Authority, South Bend Public Transportation Corporation (TRANSPo), Urban Enterprise Association, and the Saint Joseph County Board of Managers for Hotel-Motel Tax.

#### **Accounting and Reporting Principles**

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

### **Note I - Summary of Significant Accounting Policies (Continued)**

#### **Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

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

#### **Fund Accounting**

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

### Note I - Summary of Significant Accounting Policies (Continued)

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

- The General Fund, which is the primary operating fund, accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Park and Recreation Fund is used to account for the operation of the City park system. Financing is provided by a specific annual property tax levy to the extent that user fees and miscellaneous revenues are insufficient to provide such financing.
- The Public Safety Local Option Income Tax (LOIT) Fund is used to account for the City's share of the public safety local option income tax. Expenditures are restricted to public safety.
- The County Option Income Tax (COIT) Fund is used to account for the City's share of the county option income tax. Expenditures include any lawful purpose of the City.
- The Economic Development Income Tax (EDIT) Fund is to account for the City's share of the County Economic Development Tax. Expenditures include any lawful purpose of the City.
- The River West TIF (Tax Incremental Financing) Fund is used to account for public improvement projects in the river west economic development area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment. As of January 1, 2015, this fund has been renamed the River West TIF Fund. This fund was formerly known as the Airport TIF Fund.
- The Redevelopment Authority Debt Service Fund is used to accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of a parking garage facility, bonds issued for central development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued to refinance bonds issued for construction of Century Center improvements, and bonds issued to refinance bonds issued for renovations to the Morris Performing Art Center.

### Note I - Summary of Significant Accounting Policies (Continued)

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

- The Water Utility Fund accounts for the operation of the City's water distribution system.
- The Wastewater Utility Fund accounts for the operation of the City's wastewater treatment plant, pumping stations, and collection systems.
- The Century Center Fund accounts for the operation and maintenance of the City's convention center. Financing is received from various user fees for conventions, meetings, and other events held at the civic center and a subsidy from the St. Joseph County's Special Funds Board of Managers.

The City's internal service funds are used to account for various City liability coverage, employee medical coverage, unemployment claims, and central services such as fuel, vehicle repairs, and various supplies provided to other departments on a cost-reimbursement basis. The activities are accounted for on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

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

- The pension trust funds account for the activities of the 1925 Police and 1937 Fire Pension Funds which accumulate resources for pension benefit payments.
- The Private-Purpose Trust Fund reports a trust arrangement under which principal and income benefit cemetery maintenance.
- The agency funds account for assets held by the City as an agent for employee payroll, pension, and payroll deductions and held for an entertainment center's event deposits.

### Note I - Summary of Significant Accounting Policies (Continued)

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

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

#### **Basis of Accounting**

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

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

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

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

### Note I - Summary of Significant Accounting Policies (Continued)

#### Specific Balances and Transactions

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

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

Nonparticipating certificates of deposit, demand deposits, and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost. A “nonparticipating” instrument is one that does not recognize market fluctuations in its valuation.

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

Open-end mutual funds are reported at fair market value.

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

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

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

**Restricted Assets** - Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Restricted assets also include customer deposits, operating reserves, capital outlay accounts, and debt service reserve funds.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note I - Summary of Significant Accounting Policies (Continued)

**Capital Assets** - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

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

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

### **Note I - Summary of Significant Accounting Policies (Continued)**

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. Net position restricted for debt service and for capital outlay shown in the business-type activities and in the enterprise funds are restricted pursuant to state statute and/or local ordinance.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The deferred charge on refunding and deferred charges on pensions that are reported in the enterprise funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are recorded with respect to pensions per GASB Statement No. 68.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category: an unamortized amount related to a service agreement, an unamortized gain related to a sale/leaseback transaction, and deferred inflows related to pensions per GASB Statement No. 68.

#### **Net Position Flow Assumption**

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

### **Note I - Summary of Significant Accounting Policies (Continued)**

#### **Fund Balance Flow Assumption**

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

#### **Fund Balance Policies**

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

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

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

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

### Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

- General: 30 percent of annual expenditures
- COIT: 50 percent of annual expenditures
- EDIT: 50 percent of annual expenditures
- Water operating: 5 percent of annual expenditures
- Wastewater operating: 5 percent of annual expenditures
- Other: generally 25 percent of annual expenditures

The detail of the fund balance classifications of the governmental funds for the year ended December 31, 2015 can be found in Note 16.

### **Property Tax Revenue**

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

### Note I - Summary of Significant Accounting Policies (Continued)

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

#### **Compensated Absences (Vacation and Sick Leave)**

- a. Sick Leave - City employees earn sick leave at the rate of four to eight days per year, depending upon employee classification and length of service. Policemen, teamsters, 40-hour-per-week firemen, and all other employees earn eight sick days per year, regardless of tenure of service. Firemen working 24-hour workdays with tenure greater than five years earn five days of sick leave per year, and firemen working 24-hour workdays with tenure less than five years, earn four days of sick leave per year. Sick leave may accumulate to a maximum 90 days for policemen, 100 days for 40-hour-per-week firemen, 38 days for 24-per-day fireman, 75 days for teamsters, and 65 days for all other employees. Accumulated sick leave is paid to firemen and policemen upon termination of employment depending upon the number of sick leave hours transacted, at a rate of 50 percent to 100 percent of the base hourly rate of pay for firemen and at a rate of one-half the first class patrolman rank rate of pay for policemen. Accumulated sick leave is paid to teamster employees, upon retirement, at a rate of \$25 for each accumulated sick leave day transacted. Sick leave buy-back during employment is paid to firemen and policemen annually upon request. Upon request, firemen are paid unused sick days earned in the previous year in excess of 252 hours in the sick day bank at the base hourly rate of pay. Upon request, policemen are paid up to a maximum eight unused sick days at the first class patrolman rate of pay.
- b. Vacation Leave - Primary government employees earn vacation leave at rates from zero days to 28 days based upon hire date, years of service, and employee classification. Vacation leave does not accumulate from year to year for policemen, firemen, and teamster employees, except in instances where special cases are approved. Nonbargaining employees carry over to the following year unused vacation time up to a maximum of 160 hours. Employees earn vacation leave during the year for use in the succeeding year. Unused vacation leave is paid to employees upon termination of employment. Firemen may sell back vacation leave, up to a maximum three days per year, during selected times of the year, at the employee's normal hourly rate of pay.

### Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unused vacation leave for all City employees, and unused sick leave and compensatory leave of firemen, policemen, and teamsters, is accrued when incurred and reported as a liability in the statement of net position. Amounts due and payable at year end are included in the proprietary fund statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

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

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

### Note 2 - Stewardship, Compliance, and Accountability

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

Major governmental funds:

- General Fund
- Special Revenue Funds - Park and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax (COIT), Economic Development Income Tax (EDIT)
- Capital Projects Fund - River West TIF

Nonmajor governmental funds:

- Special Revenue Funds - Motor Vehicle Highway, Recreation Nonreverting, Studebaker Oliver Revitalization Grants, Economic Development State Grants, DCI Operating, Community Investment Grants, Police State Seizure, Juvenile Positive Assistance, Law Enforcement Continuing Education, Loss Recovery, Emergency Telephone System, Local Road and Street, Excess Welfare Distribution, Human Rights-Federal Grant, East Race Waterway, Morris and Palais Marketing, Police Block Grants, Economic Development Commission, Hazmat, Indiana River Rescue, COPS Block Grant II, Regional Police Academy, COPS MORE Grant, Federal Drug Enforcement, Gift, Urban Development Action Grant, Leaf Collection and Removal, Police K-9 Unit, Rainy Day, Excess Levy
- Debt Service Fund - College Football Hall of Fame Debt Service, Redevelopment Bond - Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond - Palais Royale, Century Center Energy Conservation Debt Service
- Capital Projects Funds - Professional Sports Development, Coveleski Stadium Capital, Zoo Endowment, Park Nonreverting Capital, Cumulative Capital Development, Cumulative Capital Improvement, Morris Performing Arts Center Capital, TIF Downtown, TIF Leighton Plaza, TIF - West Washington, Redevelopment General, Community Revitalization Enhancement District, TIF No. 1 - Southside Development, TIF No. 3 - Southside Development, TIF - Central Medical Service Area, Football Hall of Fame Capital, Major Moves, TIF - River East Development, TIF Douglas Road, TIF River East Residential, Certified Technology Park, Palais Royale Historic Preservation, Airport Urban Enterprise Zone

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

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

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

Expenditures did not exceed appropriations for any funds or any departments within the General fund, the Parks and Recreation Fund, the Public Safety LOIT Fund, the COIT Fund, the EDIT Fund, or any other major or nonmajor governmental fund which required legally approved budgets. Certain other financing uses for transfers out in the Airport Taxable and Palais Royale debt service funds exceeded the approved budget due to higher interest earnings in the funds which was transferred to other funds.

**Fund Deficits** - At December 31, 2015, the following funds reported deficits in fund equity, which are violations of State statute: Urban Development Action Grant (\$219,910), TIF - Douglas Road (\$443,111), and TIF - River East Residential (\$2,816,175).

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

### Note 3 - Deposits and Investments

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

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

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

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 3 - Deposits and Investments (Continued)

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

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if that institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2015, the bank balances held at the following institutions were collateralized with securities held by the pledging financial institution's trust department or agent in the depositor-City's name:

Wells Fargo Bank, NA	\$ 1,910,886
US Bank NA	29,360,611
Bank of America	2,078,474
Bank of New York Mellon	4,137,744
Ist Source Bank	2,048,252
Ist Source Bank	952,532

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

**Custodial Credit Risk of Investments** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. At year end, \$74,780,027 of investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City must follow state statute and limit the stated final maturities of the investments to no more than five years. The City does not have a formal investment policy for interest rate risk.

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

Primary Government	Fair Value	Less than One Year	One to Two Years	More than Two Years
U.S. Government Agency Securities	\$ 69,788,341	\$ 9,001,345	\$ 51,270,906	\$ 9,516,090
U.S. Treasuries	4,991,686	4,991,686	-	-
Total	\$ 74,780,027	\$ 13,993,031	\$ 51,270,906	\$ 9,516,090

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 3 - Deposits and Investments (Continued)

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

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

### Note 4 - Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2015, City funds recognized the following loan receivable balances. The schedule shows the total receivable and the portion that is not due within one year. These loans were for economic development projects:

	<u>Receivable</u>	<u>Noncurrent</u>
TIF River West	\$ 403,714	\$ 127,423
Nonmajor governmental funds:		
Economic development state grants	379,015	302,069
Community investment grants	247,107	192,744
Urban development action grant	739,400	117,010
Industrial revolving	<u>4,875,110</u>	<u>4,077,146</u>
Total nonmajor governmental funds	<u>\$ 6,240,632</u>	<u>\$ 4,688,969</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 5 - Net Investment in Capital Assets

The net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets not subject to depreciation	\$ 20,446,229	\$ 19,258,063	\$ 39,704,292
Capital assets subject to depreciation - Net	244,940,591	221,245,530	466,186,121
Deferred outflows (capital related)	2,520,464	2,413,859	4,934,323
Revenue bonds payable - Current	(8,595,000)	(7,870,000)	(16,465,000)
Mortgage bonds payable - Current	(1,691,120)	(288,880)	(1,980,000)
Notes and loans payable - Current	(184,371)	(345,456)	(529,827)
Capital leases payable - Current	(2,565,559)	(1,381,971)	(3,947,530)
Revenue bonds payable - Noncurrent	(99,220,890)	(95,001,921)	(194,222,811)
Mortgage bonds payable - Noncurrent	(12,213,853)	(5,562,685)	(17,776,538)
Notes and loans payable - Noncurrent	(4,647,381)	(3,113,443)	(7,760,824)
Capital leases payable - Noncurrent	(5,925,848)	(3,029,071)	(8,954,919)
Unspent debt proceeds	24,741,429	15,674,359	40,415,788
Net investment in capital assets	<u>\$ 157,604,691</u>	<u>\$ 141,998,384</u>	<u>\$ 299,603,075</u>

### Note 6 - Capital Assets

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

Governmental Activities	Restated Balance January 1, 2015	Additions	Disposals	Balance December 31, 2015
Capital assets not being depreciated:				
Land	\$ 15,106,806	\$ -	\$ -	\$ 15,106,806
Construction in progress	3,698,336	4,070,473	2,429,386	5,339,423
Subtotal	18,805,142	4,070,473	2,429,386	20,446,229
Capital assets being depreciated:				
Buildings	128,065,629	1,353,546	1,336,896	128,082,279
Improvements other than buildings	16,616,553	-	-	16,616,553
Machinery and equipment	46,700,042	2,998,854	4,154,972	45,543,924
Roads and other infrastructure	431,536,099	2,808,788	-	434,344,887
Subtotal	622,918,323	7,161,188	5,491,868	624,587,643
Accumulated depreciation:				
Buildings	43,717,720	4,822,671	1,266,133	47,274,258
Improvements other than buildings	8,708,806	534,076	-	9,242,882
Machinery and equipment	29,554,115	4,205,889	2,951,602	30,808,402
Roads and other infrastructure	280,745,718	11,575,792	-	292,321,510
Subtotal	362,726,359	21,138,428	4,217,735	379,647,052
Net capital assets being depreciated	260,191,964	(13,977,240)	1,274,133	244,940,591
Net capital assets	<u>\$ 278,997,106</u>	<u>\$ (9,906,767)</u>	<u>\$ 3,703,519</u>	<u>\$ 265,386,820</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 6 - Capital Assets (Continued)

Business-type Activities	Restated Balance January 1, 2015	Additions	Disposals	Balance December 31, 2015
Capital assets not being depreciated:				
Land	\$ 3,773,864	\$ 27,400	\$ 1,187,248	\$ 2,614,016
Construction in progress	17,242,386	4,817,550	5,415,886	16,644,050
Subtotal	21,016,250	4,844,950	6,603,134	19,258,066
Capital assets being depreciated:				
Buildings	87,683,548	1,933,820	4,438,574	85,178,794
Improvements other than buildings	29,427,578	1,775,149	3,016,510	28,186,217
Machinery and equipment	36,453,578	8,275,395	4,557,363	40,171,610
Roads and other infrastructure	197,923,650	2,061,486	263,611	199,721,525
Subtotal	351,488,354	14,045,850	12,276,058	353,258,146
Accumulated depreciation:				
Buildings	35,773,700	2,101,057	3,243,059	34,631,698
Improvements other than buildings	6,982,898	1,174,585	1,964,031	6,193,452
Machinery and equipment	23,957,630	2,728,760	4,161,759	22,524,631
Roads and other infrastructure	64,016,923	4,897,615	251,701	68,662,837
Subtotal	130,731,151	10,902,017	9,620,550	132,012,618
Net capital assets being depreciated	220,757,203	3,143,833	2,655,508	221,245,528
Net capital assets	\$ 241,773,453	\$ 7,988,783	\$ 9,258,642	\$ 240,503,594

The original business-type activities net capital asset balance as of January 1, 2015 was \$236,196,523. Following the Emergency Medical Services Fund reclassification to business-type activities, the January 1, 2015 balance was increased \$5,576,930 to \$241,773,453.

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

#### Governmental activities:

General government	\$ 474,718
Public safety	3,407,647
Highways and streets, and other general infrastructure	12,174,472
Culture and recreation	3,006,462
Economic development	713,715
Internal service funds (depreciation is charged to the various functions based on their usage of the assets)	128,868
Total governmental activities depreciation expense	19,905,882
Prior year accumulated depreciation for transfer in to governmental activities (police building)	1,232,546
Total additions to accumulated depreciation per capital asset depreciation schedules	\$ 21,138,428

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 6 - Capital Assets (Continued)

Business-type activities:	
Emergency medical service	\$ 451,579
Water	1,967,340
Wastewater	6,450,920
Civic center	815,117
Consolidated building department	153,457
Parking garage	216,068
Solid waste	<u>466,163</u>
Total business-type activities depreciation expense	10,520,644
Prior year accumulated depreciation for transfers into business-type activities (code enforcement)	<u>381,373</u>
Total additions to accumulated depreciation per capital asset depreciation schedules	<u><u>\$ 10,902,017</u></u>

**Construction Commitments** - The City has active construction projects at year end. As of December 31, 2015, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Hill and Colfax improvements	\$ 367,130	\$ 50,430
Bartlett St. roundabout	1,048,788	85,596
Olive-Sample overpass	1,073,301	224,139
Western Ave. corridor improvements	2,320,848	487,501
Marion-Madison roundabout	<u>529,356</u>	<u>5,156,794</u>
Total governmental activities	5,339,423	6,004,460
Business-type activities:		
Wastewater Utility:		
Primary Clarifier upgrades	5,559,953	221,202
Digester upgrade at WWTP	7,457,452	169,229
Prairie Avenue sewer separation	613,887	601
Secondary Clarifier rehab	2,215,775	11,684,255
Grit removal and influent screening improvements	176,376	67,224
East Bank sewer separation phase 5	<u>620,607</u>	<u>2,668,716</u>
Total business-type activities	<u>16,644,050</u>	<u>14,811,227</u>
Total	<u><u>\$ 21,893,473</u></u>	<u><u>\$ 20,815,687</u></u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 7 - Interfund Receivables, Payables, and Transfers

Interfund balances resulted from the time lag between the dates that (1) interfund loans are repaid, (2) interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system, and (4) payments between funds are made. The composition of interfund balances at December 31, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
General Fund	Nonmajor governmental funds	\$ 36,769
Parks and recreation	Nonmajor enterprise funds	9,057
COIT	Parks and recreation	182
Nonmajor governmental funds	Parks and recreation	69
	Internal service funds	1,304
	Total Nonmajor governmental funds	1,373
Nonmajor enterprise funds	Nonmajor governmental funds	1,170
Internal service funds	General Fund	4,172
Water Utility	General Fund	9,080
	Parks and recreation	6,255
	EDIT	85
	Nonmajor governmental funds	1,316
	Wastewater Utility	2,077
	Internal service funds	460
	Nonmajor enterprise funds	1,686
	Total Water Utility	20,959
Wastewater Utility	Water Utility	3,786
Century Center	General Fund	6,950
	Internal service funds	3,109
	Total Century Center	10,059
	Total	<u>\$ 87,527</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Advances from/to Other Funds</b>		
General Fund	Nonmajor governmental funds	\$ 491,665
COIT	Nonmajor governmental funds	1,589,771
Nonmajor governmental funds	River West TIF	500,000
	Nonmajor governmental funds	<u>5,071,713</u>
	Total nonmajor governmental funds	<u>5,571,713</u>
	Total	<u>\$ 7,653,149</u>

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

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

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

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

Receiving Fund	Paying Fund	Amount
General Fund	Water Utility	\$ 1,589,834
	Wastewater Utility	<u>2,692,378</u>
	Total General Fund	4,282,212
Parks and Recreation	Nonmajor governmental funds	3,550
	Water Utility	316,551
	Wastewater Utility	<u>568,284</u>
	Total Parks and Recreation	888,385
River West TIF	Nonmajor governmental funds	10,744,164
	Nonmajor enterprise funds	<u>19,744</u>
	Total River West TIF	10,763,908
Redevelopment Authority	River West TIF	978,512
	EDIT	462,988
	COIT	122,625
	Nonmajor governmental funds	<u>3,299,375</u>
	Total Redevelopment Authority	4,863,500
Nonmajor governmental funds	General Fund	66,639
	COIT	2,487,356
	EDIT	3,979,004
	River West TIF	1,178,250
	Nonmajor governmental funds	2,666,659
	Water Utility	36,223
	Wastewater Utility	236,545
	Century Center	<u>50,000</u>
	Total nonmajor governmental funds	<u>10,700,676</u>
Nonmajor enterprise funds	EDIT	<u>\$ 2,663,144</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

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

The City typically uses transfers to fund ongoing operating subsidies. Specific purposes of the transfers are as follows: The Water and Wastewater Utility Funds transferred PILOT funds to the General, Parks and Recreation, Redevelopment Bond Debt Service-Airport Taxable, and Cumulative Capital Development Funds for general use. The COIT, EDIT, River West TIF, Cumulative Capital Improvement, and TIF River East Residential Funds transferred funds to the Redevelopment Authority and South Bend Building Corporation Debt Services Funds for debt service payments. The COIT and EDIT Funds transferred funds to the Motor Vehicle Highway Fund for general operations as well as for the curb and sidewalk improvements. The EDIT Fund transferred funds to the DCI Operating Fund for salaries and wages relating to community investment initiatives and to the Consolidated Building Fund for general operations of Code Enforcement and Animal Care & Control. The Leaf Collection and Removal Fund transferred funds collected from customers for leaf collection to the Motor Vehicle Highway Fund to cover supervisory personnel in charge of the Leaf Collection and Removal program.

### Note 8 - Leases

**Operating Leases** - The City has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for golf cart global positioning systems, office machines, and office space. Rental expenditures for these leases were \$228,159. The following is a schedule by years of future minimum rental payments as of December 31, 2015:

Years Ending December 31	Amount
2016	\$ 237,070
2017	208,042
2018	133,195
2019	70,695
2020 and later	70,695
Total	<u>\$ 719,697</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 8 - Leases (Continued)

**Capital Leases** - The City has entered into various capital leases for various types of equipment and two parking garages. The parking garage capital leases are being repaid from governmental funds. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2015 are as follows:

Years Ending December 31	Governmental Activities	Business-type Activities
2016	\$ 2,756,428	\$ 1,446,151
2017	2,016,209	1,360,253
2018	1,588,517	755,266
2019	1,101,680	525,806
2020	710,981	467,288
2021-2025	1,000,000	-
Total minimum lease payments	9,173,815	4,554,764
Less amount representing interest	682,408	143,722
Present value	<u>\$ 8,491,407</u>	<u>\$ 4,411,042</u>

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

	Governmental Activities	Business-type Activities
Buildings	\$ 4,115,612	\$ -
Improvements other than buildings	1,458,939	-
Machinery and equipment	10,238,805	4,999,176
Total	15,813,356	4,999,176
Accumulated depreciation	<u>(7,023,416)</u>	<u>(1,453,639)</u>
Net	<u>\$ 8,789,940</u>	<u>\$ 3,545,538</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt

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

Description	Amount
<b>Governmental Activities</b>	
<u>Mortgage Bonds:</u>	
2010 Public Works Service Center Refunding Interest rates: 3.0% to 5.0% Original issue: \$6,075,000, 87.7% Governmental (\$5,327,775) Principal installments: \$525,000 to \$615,000 plus interest Maturity: February 1, 2021	\$ 2,907,255
2012 New Fire Station/Police Renovations Refunding Interest rates: 2.1% to 5.0% Original issue: \$13,985,000 Principal installments: \$545,000 to \$770,000 Maturity: February 1, 2023	<u>10,085,000</u>
Subtotal	12,992,255
<u>Revenue Bonds:</u>	
2014 St. Joseph County PSAP (EDIT) Revenue Bonds City's portion of \$9,155,000 bond (29.03%) Interest rates: 2.0% to 3.625% Original issue: \$2,657,697 Installments of \$12,799 to \$16,611 plus interest Maturity: December 31, 2034	2,386,508
2014 TJX Special Taxing District Refunding Bonds Interest rates: 2.0% - 3.0% Original issue: \$3,440,000 Installments of \$395,000 to \$470,000 plus interest Maturity: January 1, 2022	2,615,000
2003 Amended River West TIF Refunding Interest rates: 4.0% to 5.2% Original issue: \$14,420,000 Installments of \$254,036 to \$530,000 plus interest Maturity: February 1, 2025	7,845,000
2011 Downtown TIF Refunding Interest rates: 4.0% to 5.2% Original issue: \$19,795,000 Installments of \$260,000 to \$935,000 plus interest Maturity: February 1, 2025	13,760,000

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

Description	Amount
<b>Governmental Activities (Continued)</b>	
Revenue Bonds (continued):	
2005 Southside TIF/Erksine Village Interest rates: 6.1% to 6.75% Original issue: \$5,485,000 Installments of \$165,000 to \$465,000 plus interest Maturity: February 1, 2027	\$ 4,035,000
2015 Eddy Street Commons Refunding Interest rates: 4.0% to 6.0% Original issue: \$36,000,000 Installments of \$145,000 to \$1,420,000 plus interest Maturity: February 15, 2033	31,450,000
2013 Century Center Refunding Interest rates: 4.0% to 5.63% Original issue: \$4,655,000 Installments: \$155,000 to \$375,000 plus interest * Maturity: May 1, 2028	3,465,000
2009 Morris Performing Arts Center Refunding Interest rates 3.0% to 4.0% Original issue: \$7,210,000 Installments of \$400,000 to \$515,000 plus interest Maturity: February 1, 2017	1,510,000
2011 College Football Hall of Fame Refunding Interest rates: .8% to 3.65% Original issue: \$7,580,000 Installments of \$550,000 to \$615,000 plus interest Maturity: February 1, 2018	3,010,000
2011 Century Center Refunding Interest rates: 2.0% to 3.0% Original issue: \$2,980,000 Installments of \$215,000 to \$260,000 plus interest Maturity: February 1, 2018	1,180,000
2006 CEDIT Refunding Interest rates: 3.75% to 4.0% Original issue: \$7,440,000 Installments of \$310,000 to \$430,000 plus interest Maturity: February 1, 2017	1,265,000
2015 Redevelopment Authority Smart Streets Bonds Interest rates: 3.0 - 4.0% Original issue: \$25,000,000 Installments of \$460,000 to \$840,000 plus interest Maturity: February 1, 2037	25,000,000
2015 EDIT/Parks Bonds Interest rates: 3.00 - 3.75% Original issue: \$5,605,000 Installments of \$100,000 to \$390,000 plus interest Maturity: August 1, 2035	5,605,000

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

Description	Amount
<b>Governmental Activities (Continued)</b>	
Revenue Bonds (continued):	
2010 Four Winds Field (Coveleski Stadium) Recovery Zone - Taxable Interest rates: 1.75% to 5.2% Original issue: \$4,980,000 Installments of \$580,000 to \$670,000 plus interest Maturity: January 5, 2019	\$ 2,295,000
Subtotal	105,421,508
Total governmental activity debt	\$ 118,413,763

\* St. Joseph County has irrevocably pledged hotel-motel tax revenues to finance debt payments

#### **Business-type Activities**

##### Mortgage Bonds:

2010 Public Works Service Center Refunding Interest rates: 3.0% to 5.0% Original issue: \$6,075,000, 12.3% Business-Type (\$747,225) Installments of \$525,000 to \$615,000 plus interest Maturity: February 1, 2021	\$ 407,745
2013 Building Corp EMS Fire Station/Tower Bonds Interest rates: 3.0% to 4.2% Original issue: \$5,580,000 Installments \$215,000 to \$235,000 plus interest Maturity: February 1, 2033	5,365,000
Subtotal	\$ 5,772,745

##### Revenue Bonds:

2006 Water Works Improvement Interest rates: 4.25% to 4.5% Original issue: \$4,710,000 Installments of \$170,000 to \$350,000 plus interest Maturity: January 1, 2027	\$ 3,090,000
2009 Water Works Improvement Interest rates: 3.80% to 5.89% Original issue: \$5,380,000 Installments of \$195,000 to \$455,000 plus interest Maturity: January 1, 2030	4,555,000
2012 Water Works Improvement Interest rate: 2.0% Original issue: \$5,975,000 plus interest Installments of \$335,000 to \$425,000 plus interest Maturity: January 1, 2023	2,745,000
2012B Water Works Improvement Interest rates: 2.0% to 3.7% Original issue: \$8,300,000 Installments of \$340,000 to \$540,000 plus interest Maturity: January 1, 2033	7,275,000

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

Description	Amount
<b>Business-type Activities (Continued)</b>	
<u>Revenue Bonds (continued)</u>	
2015 Sewage Works Refunding Interest rates: 2.0% Original issue: \$27,440,000 Installments of \$2,475,000 to \$3,025,000 plus interest Maturity: December 1, 2025	\$ 27,440,000
2010 Sewage Works Revenue Interest rates: 2.0% to 4.5% Original issue: \$9,345,000 Installments of \$365,000 to \$665,000 plus interest Maturity: December 1, 2030	7,530,000
2011 Sewage Works Revenue Interest rates: 3.0% to 4.0% Original issue: \$21,500,000 Installments of \$365,000 to \$665,000 plus interest Maturity: December 1, 2031	18,175,000
2012 Sewage Works Revenue Interest rates: 2.0% to 2.75% Original issue: \$25,000,000 Installments of \$1,105,000 to \$1,650,000 plus interest Maturity: December 1, 2032	21,935,000
2013A Sewage Works Revenue Interest rate: 1.94% Original issue: \$14,765,000 Installments of \$1,065,000 to \$715,000 plus interest Maturity: December 11, 2024	9,970,000
Subtotal	102,715,000
Total business-type activity debt	\$ 108,487,745

Excluded from the governmental activities amounts outstanding are total unamortized premiums of \$912,718 and \$2,394,382 related to the mortgage bonds and revenue bonds, respectively.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

Excluded from the business-type activities amounts outstanding are total unamortized premiums of \$78,820 and \$156,921 related to the mortgage bonds and revenue bonds, respectively.

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Mortgage bonds	\$ 15,672,613	\$ -	\$ 1,767,640	\$ 13,904,973	\$ 1,691,120
Revenue bond	84,862,512	62,055,000	39,101,622	107,815,890	8,595,000
Total bonds payable	100,535,125	62,055,000	40,869,262	121,720,863	10,286,120
Notes and loans payable	1,617,491	4,167,897	953,636	4,831,752	184,371
Capital leases	8,358,904	2,604,474	2,471,971	8,491,407	2,565,559
Subtotal	110,511,520	68,827,371	44,294,869	135,044,022	13,036,050
Accumulated compensated absences	4,476,074	128,705	-	4,604,779	4,604,779
Net pension liability	60,258,010	130,982,238	-	191,240,248	-
Net OPEB obligation	10,043,305	2,336,489	718,859	11,660,935	-
Total governmental activities	\$ 185,288,909	\$ 202,274,803	\$ 45,013,728	\$ 342,549,984	\$ 17,765,506

Compensated absences for governmental activities typically have been liquidated from the General Fund and special revenue funds. All of the December 31, 2015 business-type activities' compensated absences are due within one year. The net 1925 Police and 1937 Firefighters' pension liability will be liquidated from the pension trust funds. The Public Employees' Retirement Fund (PERF) liability will not be liquidated from the pension trust funds. The net OPEB obligation will be liquidated from the General Fund.

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
Mortgage bonds	\$ 6,139,539	\$ -	\$ 287,974	\$ 5,851,565	\$ 288,880
Revenue bonds	111,209,874	27,440,000	35,777,953	102,871,921	7,870,000
Total bonds payable	117,349,413	27,440,000	36,065,927	108,723,486	8,158,880
Capital leases payable	3,430,273	2,256,148	1,275,379	4,411,042	1,381,971
Notes and loans payable	3,794,664	-	335,765	3,458,899	345,456
Total business-type activities	\$ 124,574,350	\$ 29,696,148	\$ 37,677,071	\$ 116,593,427	\$ 9,886,307

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

Total interest expense for the year was \$10,033,245. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 10,470,491	\$ 3,930,628	\$ 14,401,119	\$ 8,504,336	\$ 3,008,035	\$ 11,512,371
2017	10,625,462	4,014,105	14,639,567	8,744,348	2,822,476	11,566,824
2018	9,739,011	4,040,927	13,779,938	8,932,068	2,621,011	11,553,079
2019	8,863,832	3,684,488	12,548,320	7,775,084	2,414,078	10,189,162
2020	8,841,235	3,345,959	12,187,194	7,781,573	2,225,318	10,006,891
2021-2025	37,563,169	11,447,097	49,010,266	39,829,335	8,108,526	47,937,861
2026-2030	23,294,022	5,511,591	28,805,613	23,384,658	3,304,315	26,688,973
2031-2035	17,155,393	1,786,058	18,941,451	7,230,983	253,025	7,484,008
Total	\$ 126,552,615	\$ 37,760,853	\$ 164,313,468	\$ 112,182,385	\$ 24,756,784	\$ 136,939,169

**Current Refundings** - On September 10, 2015, the South Bend Redevelopment Authority issued \$31,450,000 in refunding revenue bonds with an average interest rate of 3.14 percent to currently refund the remainder of its 2008 Redevelopment Special Taxing District (Eddy Street Commons) bonds to take advantage of favorable interest rates and lower future debt service payments. The net proceeds of \$32,905,580 (after payment of \$306,048 in issuance costs) were used to redeem \$35,698,809 in bonds. In so doing, the City saved \$3,251,291 in debt service costs over the remaining life of the bonds.

On December 8, 2015, the City of South Bend issued \$27,440,000 in Sewage Works Refunding revenue bonds with an average interest rate of 2.00 percent to currently refund the remainder of its 2006, 2007, and 2007B Sewage Works Revenue bonds to take advantage of favorable interest rates and lower future debt service payments. The net proceeds of \$27,251,769 (after payment of \$188,231 in issuance costs) were used to redeem \$30,432,980 in bonds. In so doing, the City saved \$2,354,284 in debt service costs over the remaining life of the bonds.

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

During 2015, the Water Utility paid \$2,051,778 in debt payments or approximately 14.4 percent of operating revenues. The Wastewater Utility paid \$7,899,703 in debt payments or approximately 21.6 percent of operating revenues.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 9 - Long-term Debt (Continued)

The City has pledged tax incremental financing revenues to meet tax incremental financing and Redevelopment Authority debt requirements. The City has pledged economic development income taxes (EDIT) to meet the EDIT revenue bond debt requirements. The City has also pledged taxes in the Professional Sports and Convention Development (PSCD) Area to meet the PSCD revenue bonds.

### Note 10 - Restricted Assets

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

Cash, cash equivalents, and investments:	
Depreciation fund	\$ 11,599,084
Debt service fund	809,072
Customer repair and deposit fund	3,157,650
Cash with fiscal agent	221,554
Bond reserve fund	5,710,619
Operating reserve fund	5,897,241
Capital outlay accounts	1,002,072
Unspent bond proceeds	<u>15,674,359</u>
Total restricted assets	<u>\$ 44,071,651</u>

### Note 11 - Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. At December 31, 2015, the market value of these properties was not known. These properties are recognized as assets in the funds that purchased the property.

### Note 12 - Service Concession Agreement

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

Additionally, SMG contributed a one-time capital infusion of \$575,000, to be used for capital improvement that will be amortized over seventy-two (72) months.

Both parties retain certain rights regarding operations and contract cessation.

### Note 13 - Risk Management

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

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

**Liability Insurance** - The City has chosen to establish a risk financing fund for risks associated with job-related illnesses or injuries to employees, automobile liability, and comprehensive liability. The risk financing fund is accounted for in the Liability Insurance Premium Reserve Fund, an internal service fund, whereby assets are set aside for claim settlements. Excess policies through commercial insurance covers individual claims in excess of \$300,000 per claim for job-related illnesses or injuries to employees (workers' compensation) and \$100,000 per claim for damage to and destruction of assets (property damage). Two claims resulting from property damage exceeded the property insurance self-retention amount. The first claim occurred during 2012 and the gross claim was \$424,021. In 2013, a second claim was incurred at a loss of \$248,094. No such claims occurred in 2014 or 2015. A premium is charged to each fund based on a study of paid claims and based on the number of employees and percent of the total budget. Provisions are also made for unexpected and unusual claims.

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

**Group Health Insurance** - The City has chosen to establish a risk financing fund for risks associated with medical benefits of employees and their covered dependents. The risk financing fund is accounted for in the Self-Funded Employee Benefits Fund, an internal service fund, whereby assets are set aside for benefit costs. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per year. Two claims resulting from this risk exceeded the self-retention amount during the past three years. The claims occurred during 2014 and the gross claims cost was \$724,350 in 2014 and \$398,000 in 2015. A premium is charged to each fund based on the number of employees and estimated costs exceeding the employees' contributions. Provisions are also made for unexpected and unusual claims.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 13 - Risk Management (Continued)

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

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

	Liability Insurance		Group Health	
	2015	2014	2015	2014
Unpaid claims - Beginning of year	\$ 1,671,438	\$ 2,791,134	\$ 1,085,259	\$ 1,207,274
Incurred claims, including claims incurred but not reported (Restatement Note 25)	1,354,057	1,011,669	13,321,524	14,139,152
Claim payments	(1,549,227)	(2,131,365)	(13,309,007)	(14,261,167)
Unpaid claims - End of year (Restatement Note 25)	<u>\$ 1,476,268</u>	<u>\$ 1,671,438</u>	<u>\$ 1,097,776</u>	<u>\$ 1,085,259</u>

### Note 14 - Subsequent Events

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

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

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

### **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.

As of December 31, 2015, there were several series of industrial revenue bonds outstanding. The City has been unable to obtain the total outstanding principal amount for the outstanding bonds. During 2015, the City approved no new industrial revenue bonds.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 16 - Fund Balance Constraints

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

Fund Balances	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	River West TIF	Redevelopment	Nonmajor Funds	Total
							Authority Debt Service		
<b>Nonspendable:</b>									
Inventory	\$ -	\$ 45,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,197
Advances to other funds	491,665	-	-	1,589,771	-	-	-	5,571,713	7,653,149
Property held for resale	-	-	-	174,999	270,001	10,884,221	-	3,689,942	15,019,163
Noncurrent loans receivable	-	-	-	-	-	127,423	-	4,688,969	4,816,392
<b>Total</b>	<b>491,665</b>	<b>45,197</b>	<b>-</b>	<b>1,764,770</b>	<b>270,001</b>	<b>11,011,644</b>	<b>-</b>	<b>13,950,624</b>	<b>27,533,901</b>
<b>Restricted:</b>									
Debt service	-	-	-	-	-	-	1,217,412	7,920,140	9,137,552
General administration	-	-	-	-	-	-	-	494,044	494,044
Police and fire salaries	-	-	553,267	-	-	-	-	-	553,267
Police and fire capital	-	-	-	-	-	-	-	2,656,962	2,656,962
Street maintenance	-	-	-	-	-	-	-	8,689,887	8,689,887
Economic development projects	-	-	-	-	-	30,731,504	-	29,029,857	59,761,361
Parks maintenance	-	3,775,285	-	-	-	-	-	1,280,170	5,055,455
Cultural capital projects	-	-	-	-	-	-	-	5,604,959	5,604,959
Street capital projects	-	-	-	-	-	-	-	21,051,019	21,051,019
<b>Total</b>	<b>-</b>	<b>3,775,285</b>	<b>553,267</b>	<b>-</b>	<b>-</b>	<b>30,731,504</b>	<b>1,217,412</b>	<b>76,727,038</b>	<b>113,004,506</b>
<b>Committed:</b>									
Street capital projects	-	-	-	-	-	-	-	990,110	990,110
Police and fire capital	-	-	-	-	-	-	-	116,225	116,225
Economic development projects	-	-	-	-	-	-	-	407,010	407,010
Cultural capital	-	-	-	-	-	-	-	725,130	725,130
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,238,475</b>	<b>2,238,475</b>
<b>Assigned:</b>									
General administration	466,088	-	-	11,294,840	9,959,222	-	-	8,696,364	30,416,514
Police and fire capital	-	-	-	-	-	-	-	1,056,589	1,056,589
Street maintenance	-	-	-	-	-	-	-	1,122,341	1,122,341
Economic development administration	-	-	-	-	-	-	-	8,703	8,703
<b>Total</b>	<b>466,088</b>	<b>-</b>	<b>-</b>	<b>11,294,840</b>	<b>9,959,222</b>	<b>-</b>	<b>-</b>	<b>10,883,997</b>	<b>32,604,147</b>
Unassigned	29,664,303	-	-	-	-	-	-	(4,218,596)	25,445,707
<b>Total fund balance</b>	<b>\$ 30,622,056</b>	<b>\$ 3,820,482</b>	<b>\$ 553,267</b>	<b>\$ 13,059,610</b>	<b>\$ 10,229,223</b>	<b>\$ 41,743,148</b>	<b>\$ 1,217,412</b>	<b>\$ 99,581,538</b>	<b>\$ 200,826,736</b>

Public Safety LOIT funds are primarily restricted for payment of police and fire personnel. Parks and Recreation funds are restricted primarily for parks and recreation operating costs, including personnel. COIT and EDIT funds are assigned to general government primarily for debt service payments and operating expenses. River West TIF and Redevelopment Authority Debt Service are restricted for economic development projects and debt service.

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

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 17 - Other Postemployment Benefits

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

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

**Funding Policy** - The contribution requirements of plan members for the City of South Bend Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2015, the City contributed \$718,859 to the plan for current premiums. Police and fire members receiving benefits contributed approximately 30 percent of the total premiums through their required contribution of \$200 per month for retiree-only coverage and \$600 for retiree and spouse coverage. General employee members receiving benefits contributed approximately 100 percent of the total premiums through their required contribution of \$496 per month for retiree-only coverage and \$1,308 for retiree and spouse coverage.

**Funding Progress** - For the year ended December 31, 2015, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2015. The valuation computes an annual required contribution that represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,501,114
Interest on the prior year's net OPEB obligation	236,835
Less adjustment to the annual required contribution	<u>(401,460)</u>
Annual OPEB cost	2,336,489
Amounts contributed:	
Payments of current premiums	(718,859)
Advance funding	<u>-</u>
Increase in net OPEB obligation	1,617,630
OPEB obligation - Beginning of year	<u>10,043,305</u>
OPEB obligation - End of year	<u>\$ 11,660,935</u>

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 17 - Other Postemployment Benefits (Continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/13	\$ 2,463,473	28.5	\$ 8,300,677
12/31/14	2,542,733	31.5	10,043,305
12/31/15	2,336,489	30.8	11,660,935

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
1/1/15	\$ -	\$ 21,512,260	\$ 21,512,260	-
1/1/14	-	21,493,998	21,493,998	-
1/1/13	-	21,493,998	21,493,998	-

**Actuarial Methods and Assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$21,512,260 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,512,260. The covered payroll was \$51,521,030, which as a percentage of the actuarial accrued liability was 239 percent.

### **Note 17 - Other Postemployment Benefits (Continued)**

In the January 1, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after 10 years. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

### **Note 18 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund**

**Plan Description** - The Public Employees' Retirement Fund (PERF) provides pensions for all full-time employees other than police officers and firefighters, who are covered under the 1977 Police Officers' and Firefighters' Pension and Disability Fund. The plan is a cost sharing multiple employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

**Benefits Provided** - The plan provides retirement, disability and survivor benefits. The Indiana Code, Title 5, Articles 10.2 and 10.3, as amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the plan.

Retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 1.1% plus the employee's Annuity Savings Account. Normal retirement age is 60 with early retirement at 50-59 with 15 years of service. Vesting period is 10 years. An employees who leaves service may withdraw his or her Annuity Savings Account contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are granted by the Indiana General Assembly on an ad hoc basis.

**Contributions** - Per Indiana Code, Title 5, Articles 10.2 and 10.3, contribution requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. Employees are required to contribute 3 percent of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2015 was 11.20 percent of annual payroll. Contributions to the plan from the City were \$3,027,676 for the year ended December 31, 2015.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 18 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund (Continued)

#### Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2014, the City reported a liability of \$22,687,694 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's actuarially required contribution for the year ended December 31, 2015, relative to all other contributing employers. At June 30, 2015, the City's proportion was 0.55704 percent, which was an increase of 0.00642 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$3,650,212. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 973,862	\$ 46,920
Changes in assumptions	1,917,873	-
Net difference between projected and actual earnings on pension plan investments	3,825,428	2,133,693
City contributions made subsequent to the measurement date	1,542,885	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>319,515</u>	<u>147,604</u>
Total	<u>\$ 8,579,563</u>	<u>\$ 2,328,217</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of employer contributions to the plan made subsequent to the measurement date (\$1,542,885), which will impact the net pension liability in fiscal year 2016, rather than pension expense. (No amounts available for 2020 and thereafter).

Years Ending <u>June 30</u>	<u>Amount</u>
2016	\$ 1,502,430
2017	1,502,430
2018	747,244
2019	956,357

### Note 18 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund (Continued)

**Actuarial Assumptions** - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.5% - 4.25% Average, including inflation
Investment rate of return	6.75% Net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 (with MP-2014 improvement removed) Total Data Set mortality table projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2014. The study was performed in April 2015. As a result of the study, inflation decreased from 3.00 percent to 2.25 percent, future salary rates decreased from a table range of 3.25 percent to 4.50 percent to a table ranging from 2.50 percent to 4.25 percent. The mortality rates changed from the 2013 IRS Static Mortality projected five years with Scale AA to the process referenced above. Each of these assumption changes were made to more closely reflect actual experience.

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

#### **Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Note 18 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - Public Employees' Retirement Fund (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2015 for each major asset class are summarized in the following table.

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Public equity	22 %	5.30 %
Private equity	10 %	5.60 %
Fixed income - Ex inflation - Linked	22 %	2.10 %
Fixed income - Inflation - Linked	10 %	0.70 %
Commodities	8 %	2.00 %
Real estate	8 %	3.00 %
Absolute return	10 %	3.90 %
Risk parity	10 %	5.00 %

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percent Decrease (5.75%)	Current Discount Rate (6.75%)	1 Percent Increase (7.75%)
Net pension liability	\$ 33,466,292	\$ 22,687,694	\$ 13,739,488

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in a separately issued financial report available at <http://www.inprs.in.gov>. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### **Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund**

**Plan Description** - The 1977 Police Officers' and Firefighters' Pension and Disability Fund provides pensions for all police officers and firefighters hired after April 30, 1977. The plan is a cost sharing multiple employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

**Benefits Provided** - The plan provides retirement, disability, and death benefits. Benefit terms are established and amended by State legislative action.

Annual retirement benefits for employees are calculated as 50 percent of first-class salary for 20 years of service. Normal retirement age is 52 with early retirement at 50. Employees are eligible for non duty disability benefits after five years of service and for duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are determined by statute equal to the change in the Consumer Price Index but not in excess of a 3 percent increase.

**Contributions** - Per Indiana State statute (IC 36 8 8 and IC 36 8 8.5), contribution requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. Employees are required to contribute 6 percent of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2015 was 19.50 percent of annual payroll. Contributions to the plan from the City were \$5,563,434 for the year ended December 31, 2015.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund (Continued)

#### Net Pension Asset, Deferrals, and Pension Expense

At December 31, 2015, the City reported an asset of \$5,321,026 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's actuarially required contribution for the year ended December 31, 2015, relative to all other contributing employers. At December 31, 2015, the City's proportion was 3.6021 percent, which was an increase of 0.02185 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$1,452,255. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,314,108
Changes in assumptions	-	9,960,705
Net difference between projected and actual earnings on pension plan investments	10,385,351	5,536,939
City contributions made subsequent to the measurement date	2,879,733	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>89,069</u>	<u>110,044</u>
Total	<u>\$ 13,354,153</u>	<u>\$ 17,921,796</u>

### Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of employer contributions to the plan made subsequent to the measurement date (\$2,879,733), which will impact the net pension liability in fiscal year 2016, rather than pension expense.

Years Ending June 30	Amount
2016	\$ (734,626)
2017	(734,626)
2018	(734,626)
2019	1,111,021
2020	(1,485,317)
Thereafter	(4,869,202)

**Actuarial Assumptions** - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	2.50 % Average, including inflation
Investment rate of return	6.75 % Net of pension plan investment expense, including inflation

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

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

### Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund (Continued)

#### Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2015 for each major asset class are summarized in the following table.

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Public equity	22 %	5.30 %
Private equity	10 %	5.60 %
Fixed income - Ex inflation - Linked	22 %	2.10 %
Fixed income - Inflation - Linked	10 %	0.70 %
Commodities	8 %	2.00 %
Real estate	8 %	3.00 %
Absolute return	10 %	3.90 %
Risk parity	10 %	5.00 %

**Sensitivity of the Net Pension Asset to Changes in the Discount Rate** - The following presents the net pension asset of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percent Decrease (5.75%)	Current Discount Rate (6.75%)	1 Percent Increase (7.75%)
Net pension liability (asset)	\$ 22,394,318	\$ (5,321,026)	\$ (27,668,465)

### **Note 19 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - 1977 Police Officers' and Firefighters' Pension and Disability Fund (Continued)**

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in a separately issued financial report available at [www.in.gov/inprs/files/2015INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2015INPRSCAFRBook.pdf). The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### **Note 20 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan**

#### **Pension Plan Description**

**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 financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of nine members - the Mayor, City Controller, and Chief of Police plus six elected by plan member.

**Plan Membership** - At the December 31, 2015, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	215
Active plan members	<u>6</u>
Total employees covered by the plan	<u><u>221</u></u>

The pension plan is closed to new entrants.

**Benefits Provided** - The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### Note 20 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

**Contributions** - Plan members are required by state statute (IC 36 8 6 4) to contribute an amount equal to six percent (6 percent) of the salary of a first class patrolman. The contribution requirements of plan members are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note. The net pension liability (NPL) is considered an obligation of the City and is reflected in the statement of net position. The State of Indiana is required by statute to reimburse the City for benefits paid and has contributed \$6,378,359 during 2015 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

#### Pension Plan Investments - Policy and Rate of Return

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the pension board's adopted asset allocation policy as of December 31, 2015:

Asset Class	Target Allocation
Cash or cash equivalents	24 %
Fixed income investments	76 %

**Rate of Return** - For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Net Pension Liability of the City

City reports pension expense based on funding requirements, as directed by GASB Statement No. 68. The net pension liability of the City has been measured as of December 31, 2015 and is composed of the following:

Total pension liability	\$ 92,772,809
Plan fiduciary net position	<u>(1,157,433)</u>
City's net pension liability	<u>\$ 91,615,376</u>
Plan fiduciary net position as a percentage of the total pension liability	1.2 %

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 20 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2014</b>	\$ 99,502,362	\$ 1,110,743	\$ 98,391,619
Service cost	184,104	-	184,104
Interest	2,415,583	-	2,415,583
Differences between expected and actual experience	(2,973,249)	-	(2,973,249)
Changes in assumptions	(294,402)	-	(294,402)
Non-employer contributing entity contributions		6,378,359	(6,378,359)
Net investment income	-	4,376	(4,376)
Other revenue	-	62	(62)
Benefit payments, including refunds	(6,061,589)	(6,336,107)	274,518
Net changes	(6,729,553)	46,690	(6,776,243)
<b>Balance at December 31, 2015</b>	<b>\$ 92,772,809</b>	<b>\$ 1,157,433</b>	<b>\$ 91,615,376</b>

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense of \$6,336,108. At December 31, 2015, the City reported no deferred outflows of resources or deferred inflows of resources related to pensions.

**Actuarial Assumptions** - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %	
Salary increases	2.50 %	Average, including inflation
Investment rate of return	2.59 %	Net of pension plan investment expense, including inflation

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

### Note 20 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

**Discount Rate** - The discount rate used to measure the total pension liability was 2.59 percent. The discount rate increased from the 2.56 percent used for the December 31, 2014 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

#### Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.59. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2015. The municipal bond rate was applied to the remaining periods.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1.00 %
Fixed income investments	1.00 %

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 2.59 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.59 percent) or 1 percentage point higher (3.59 percent) than the current rate:

	1 Percent Decrease (1.59%)	Current Discount Rate (2.59%)	1 Percent Increase (3.59%)
Net pension liability of the City	\$ 102,336,904	\$ 91,615,376	\$ 82,631,834

### Note 20 - Defined Benefit Pension Plan - 1925 Police Officers' Pension Plan (Continued)

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### Note 21 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan

#### Pension Plan Description

**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 financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund.

Management of the plan is vested in the pension board.

**Plan Membership** - At the December 31, 2015, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	179
Active plan members	<u>6</u>
Total employees covered by the plan	<u><u>185</u></u>

The pension plan is closed to new entrants.

**Benefits Provided** - The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### Note 21 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

**Contributions** - Plan members are required by state statute (IC 36 8 7 8) to contribute an amount equal to 6 percent of the salary of a first class fireman. The contribution requirements of plan members are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note. The net pension liability (NPL) is considered an obligation of the City and is reflected in the statement of net position. The State of Indiana is required by statute to reimburse the City for benefits paid and has contributed \$5,039,025 during 2015 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

#### **Pension Plan Investments - Policy and Rate of Return**

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the pension board's adopted asset allocation policy as of December 31, 2015:

Asset Class	Target Allocation
Cash or cash equivalents	24.0 %
Government agency securities	76.0 %

**Rate of Return** - For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 21 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

#### Net Pension Liability of the City

The City reports pension expense based on funding requirements, as directed by GASB 68. The net pension liability of the City has been measured as of December 31, 2015 and is composed of the following:

Total pension liability	\$ 77,409,213
Plan fiduciary net position	<u>(472,035)</u>
City's net pension liability	<u>\$ 76,937,178</u>
Plan fiduciary net position as a percentage of the total pension liability	0.6 %

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2014</b>	\$ 83,390,271	\$ 639,081	\$ 82,751,190
Service cost	155,487	-	155,487
Interest	2,020,796	-	2,020,796
Differences between expected and actual experience	(2,816,692)	-	(2,816,692)
Changes in assumptions	(245,887)	-	(245,887)
Non-employer contributing entity contributions		5,039,025	(5,039,025)
Net investment income	-	2,675	(2,675)
Other revenue	-	2,667	(2,667)
Benefit payments, including refunds	<u>(5,094,762)</u>	<u>(5,211,413)</u>	<u>116,651</u>
Net changes	<u>(5,981,058)</u>	<u>(167,046)</u>	<u>(5,814,012)</u>
<b>Balance at December 31, 2015</b>	<u>\$ 77,409,213</u>	<u>\$ 472,035</u>	<u>\$ 76,937,178</u>

#### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense of \$5,221,414. At December 31, 2015, the City reported no deferred outflows of resources or deferred inflows of resources related to pensions.

### Note 21 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

**Actuarial Assumptions** - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %	
Salary increases	2.50 %	Average, including inflation
Investment rate of return	2.59 %	Net of pension plan investment expense, including inflation

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

**Discount Rate** - The discount rate used to measure the total pension liability was 2.59 percent. The discount rate increased from the 2.56 percent used for the December 31, 2014 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

#### **Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.59 percent. The source of that bond rate was the Barclay's 20 year Municipal Bond Index as of December 31, 2015. The municipal bond rate was applied to all remaining periods.

### Note 21 - Defined Benefit Pension Plan - 1937 Firefighters' Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1.00 %
Government agency securities	1.00 %

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 2.59 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.59 percent) or 1 percentage point higher (3.59 percent) than the current rate:

	1 Percent Decrease (1.59%)	Current Discount Rate (2.59%)	1 Percent Increase (3.59%)
Net pension liability of the City	\$ 85,894,640	\$ 76,937,178	\$ 69,435,844

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

# City of South Bend, Indiana

## Notes to Financial Statements December 31, 2015

### Note 22 - Pension Trust Funds

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

	1925 Police Pension	1937 Firefighters' Pension
<b><u>Statement of Net Position</u></b>		
Cash and investments	\$ 1,155,658	\$ 471,586
Other assets	1,873	779
Liabilities	98	330
Net position	<u>\$ 1,157,433</u>	<u>\$ 472,035</u>
<b><u>Statement of Changes in Net Position</u></b>		
Investment income	\$ 4,376	\$ 2,675
Contributions	6,378,421	5,041,692
Benefit payments	6,323,646	5,197,158
Other deductions	12,461	14,255
Net change in net position	<u>\$ 46,690</u>	<u>\$ (167,046)</u>

### Note 23 - Closure and Postclosure Care Cost

As of January 1, 2008, the City of South Bend's Biosolids Lagoon #4 site has been closed. The City is required to maintain the one-acre site by monitoring methane and groundwater and maintain the site (mowing, cover inspection, gas collection system inspection, cover repair, ditch maintenance, etc.). The closure and postclosure care costs are reported as operating expenses, as incurred. For the year ending December 31, 2015, the total expenses incurred were \$12,540. The remaining expected liability relating to postclosure costs is estimated at less than \$250,000 and due to the minimal nature of these expenditures, is not included in the financial statements.

### **Note 24 - Upcoming Accounting Pronouncements**

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

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the City to recognize on the face of the financial statements its net OPEB liability related to the City of South Bend Retiree Healthcare Plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2018.

### **Note 25 - Reporting Change - Prior Period Adjustment**

During the current year, the City adopted GASB Statment No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. As a result, the government-wide statements now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension notes for further details.

The financial statements for the year ended December 31, 2014 have been restated in order to adopt GASB Statement Nos. 68 and 71. The effect of these new standards was a decrease in net position to record the net pension liability at December 31, 2014.



## **Required Supplemental Information**

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# City of South Bend, Indiana

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## Required Supplemental Information 1925 Police Officers' Pension Plan Schedule of Investment Returns Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.8 %	0.6 %

# City of South Bend

## Required Supplemental Information 1925 Police Officers' Pension Plan Schedule of City Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 6,073,049	\$ 6,432,800	\$ 6,633,200	\$ 6,986,200	\$ 7,317,800	\$ 6,673,100	\$ 5,995,700	\$ 6,421,500	\$ 6,722,800	\$ 6,255,300
Contributions in relation to the actuarially determined contribution	<u>6,323,645</u>	<u>6,116,195</u>	<u>5,837,216</u>	<u>6,776,614</u>	<u>6,512,842</u>	<u>5,805,597</u>	<u>6,355,442</u>	<u>5,072,985</u>	<u>4,773,188</u>	<u>6,255,300</u>
<b>Contribution (Excess) Deficiency</b>	<b><u>\$ (250,596)</u></b>	<b><u>\$ 316,605</u></b>	<b><u>\$ 795,984</u></b>	<b><u>\$ 209,586</u></b>	<b><u>\$ 804,958</u></b>	<b><u>\$ 867,503</u></b>	<b><u>\$ (359,742)</u></b>	<b><u>\$ 1,348,515</u></b>	<b><u>\$ 1,949,612</u></b>	<b><u>\$ -</u></b>
<b>Covered Employee Payroll</b>	\$ 441,200	\$ 441,200	\$ 430,000	\$ 421,800	\$ 542,900	\$ 569,500	\$ 611,000	\$ 652,000	\$ 350,667	\$ 531,733
<b>Contributions as a Percentage of Covered Employee Payroll</b>	1,433.3 %	1,386.3 %	1,357.5 %	1,606.6 %	1,199.6 %	1,019.4 %	1,040.2 %	778.1 %	1,361.2 %	1,176.4 %

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increases	2.50% per year
Investment rate of return	2.59% per year
Retirement age	Non-converted - any age with 20 or more years of creditable service Converted - age 52 with 20 or more years of creditable service and no longer active
Mortality	RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
Other information	Cost of living increases of 2.50% per year in retirement for non-converted and 2.00% per year in retirement for converted

# City of South Bend, Indiana

## Required Supplemental Information Schedule of Changes in the City Net Pension Liability and Related Ratios Last Two Fiscal Years

	2015	2014
<b>Total Pension Liability</b>		
Service cost	\$ 184,104	\$ 157,965
Interest	2,415,583	3,721,864
Changes in benefit terms	-	-
Differences between expected and actual experience	(2,973,249)	-
Changes in assumptions	(294,402)	12,487,771
Projected benefit payments	(6,061,589)	(6,122,870)
	(6,729,553)	10,244,730
<b>Net Change in Total Pension Liability</b>		
	(6,729,553)	10,244,730
<b>Total Pension Liability - Beginning of year</b>	99,502,362	89,257,632
<b>Total Pension Liability - End of year</b>	<b>\$ 92,772,809</b>	<b>\$ 99,502,362</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Other	\$ 62	\$ 4,329
Contributions - Non-employer Entity	6,378,359	6,111,865
Net investment income	4,376	3,759
Administrative expenses	(12,462)	(10,957)
Benefit payments, including refunds	(6,323,646)	(6,705,815)
Other	-	-
	46,689	(596,819)
<b>Net Change in Plan Fiduciary Net Position</b>		
	46,689	(596,819)
<b>Plan Fiduciary Net Position - Beginning of year</b>	1,110,743	1,707,562
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 1,157,432</b>	<b>\$ 1,110,743</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 91,615,377</b>	<b>\$ 98,391,619</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	1.25 %	1.12 %
<b>Covered Employee Payroll</b>	\$ 441,200	\$ 441,200
<b>City's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	20,765.0 %	22,300.9 %

**City of South Bend, Indiana**

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**Required Supplemental Information  
1937 Firefighters' Pension Plan  
Schedule of Investment Returns  
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.8 %	0.6 %

# City of South Bend

## Required Supplemental Information 1937 Firefighters' Pension Plan Schedule of City Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,977,042	\$ 5,436,400	\$ 5,550,900	\$ 5,787,300	\$ 6,399,700	\$ 5,811,400	\$ 5,258,600	\$ 4,436,200	\$ 5,104,800	\$ 5,369,400
Contributions in relation to the actuarially determined contribution	5,197,158	5,130,581	5,051,319	5,208,570	5,503,742	5,172,146	5,416,358	4,702,372	6,738,336	5,798,952
<b>Contribution (Excess) Deficiency</b>	<b><u>\$ (220,116)</u></b>	<b><u>\$ 305,819</u></b>	<b><u>\$ 499,581</u></b>	<b><u>\$ 578,730</u></b>	<b><u>\$ 895,958</u></b>	<b><u>\$ 639,254</u></b>	<b><u>\$ (157,758)</u></b>	<b><u>\$ (266,172)</u></b>	<b><u>\$(1,633,536)</u></b>	<b><u>\$ (429,552)</u></b>
<b>Covered Employee Payroll</b>	<b>\$ 328,600</b>	<b>\$ 328,600</b>	<b>\$ 319,300</b>	<b>\$ 365,500</b>	<b>\$ 397,100</b>	<b>\$ 429,500</b>	<b>\$ 474,450</b>	<b>\$ 519,400</b>	<b>\$ 1,338,200</b>	<b>\$ 326,833</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>1,581.6 %</b>	<b>1,561.3 %</b>	<b>1,582.0 %</b>	<b>1,425.1 %</b>	<b>1,386.0 %</b>	<b>1,204.2 %</b>	<b>1,141.6 %</b>	<b>905.3 %</b>	<b>503.5 %</b>	<b>1,774.3 %</b>

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increases	2.50% per year
Investment rate of return	2.59% per year
Retirement age	Non-converted - any age with 20 or more years of creditable service Converted - age 52 with 20 or more years of creditable service and no longer active
Mortality	RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
Other information	Cost of living increases of 2.50% per year in retirement for non-converted and 2.00% per year in retirement for converted

# City of South Bend, Indiana

## Required Supplemental Information 1937 Firefighters' Pension Plan Schedule of Changes in the City Net Pension Liability and Related Ratios Last Two Fiscal Years

	2015	2014
<b>Total Pension Liability</b>		
Service cost	\$ 155,487	\$ 114,297
Interest	2,020,796	3,155,669
Changes in benefit terms	-	-
Differences between expected and actual experience	(2,816,692)	-
Changes in assumptions	(245,887)	9,620,657
Projected benefit payments	(5,094,762)	(5,206,870)
<b>Net Change in Total Pension Liability</b>	(5,981,058)	7,683,753
<b>Total Pension Liability - Beginning of year</b>	83,390,271	75,706,518
<b>Total Pension Liability - End of year</b>	<b>\$ 77,409,213</b>	<b>\$ 83,390,271</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Other	\$ 2,667	\$ 1,484
Contributions - Non-employer Entity	5,039,025	5,129,098
Net investment income	2,675	1,963
Administrative expenses	(14,255)	(10,920)
Benefit payments, including refunds	(5,197,159)	(5,407,429)
Other	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(167,047)	(285,804)
<b>Plan Fiduciary Net Position - Beginning of year</b>	639,081	924,885
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 472,034</b>	<b>\$ 639,081</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 76,937,179</b>	<b>\$ 82,751,190</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	0.61 %	0.77 %
<b>Covered Employee Payroll</b>	\$ 328,600	\$ 328,600
<b>City's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	23,413.6 %	25,183.0 %

# City of South Bend, Indiana

## Required Supplemental Information OPEB System Schedule Year Ended December 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
1/1/11	\$ -	\$ 17,641,023	\$ 17,641,023	-	\$ -	-
1/1/12	-	17,641,023	17,641,023	-	-	-
1/1/13	-	21,493,998	21,493,998	-	-	-
1/1/14	-	21,493,998	21,493,998	-	-	-
1/1/15	-	21,512,620	21,512,620	-	51,521,030	41.8

Information on covered payroll is not available prior to January 1, 2015.

# City of South Bend

## Required Supplemental Information Public Employees' Retirement Fund Schedule of City Contributions Last Fiscal Year

	2015
Actuarially determined contribution	\$ 3,650,212
Contributions in relation to the actuarially determined contribution	2,982,234
<b>Contribution Deficiency</b>	<b>\$ 667,978</b>
<b>Covered Employee Payroll</b>	<b>\$ 26,681,229</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>11.2 %</b>

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increases	2.50% to 4.25% per year
Investment rate of return	6.75% per year
Retirement age	Normal retirement is age 62 with 10 years of service; early retirement is age 50 with 15 years of service (reduced benefit)
Mortality	RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
Other information	Cost of living increases of 2.00% per year in retirement

# City of South Bend

## Required Supplemental Information Public Employees' Retirement Fund Schedule of the City's Proportionate Share of the Net Pension Liability Last Two Fiscal Years

	2015	2014
City's proportion of the net pension liability (asset)	0.00557 %	0.00563 %
City's proportionate share of the net pension liability (asset)	\$ 22,687,694	\$ 14,807,363
City's covered employee payroll	\$ 26,681,229	\$ 27,509,916
<b>City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</b>	<b>85.0 %</b>	<b>53.8 %</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>77.3 %</b>	<b>84.3 %</b>

# City of South Bend

## Required Supplemental Information 1977 Police Officers' Pension and Disability Fund Schedule of City Contributions Last Fiscal Year

	2015
Actuarially determined contribution	\$ 709,017
Contributions in relation to the actuarially determined contribution	2,625,418
<b>Contribution Deficiency (Excess)</b>	<b>\$ (1,916,401)</b>
<b>Covered Employee Payroll</b>	<b>\$ 13,327,077</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>19.7 %</b>

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2015
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increases	2.50% per year
Investment rate of return	6.75% per year
Retirement age	Normal retirement is age 52 with 20 years of service; early retirement is age 50 with 20 years of service (reduced benefit)
Mortality	RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
Other information	Cost of living increases of 2.0% per year

# City of South Bend

## Required Supplemental Information 1977 Police Officers' Pension and Disability Fund Schedule of the City's Proportionate Share of the Net Pension Liability Last Two Fiscal Years

	2015	2014
City's proportion of the net pension liability (asset)	0.01787 %	0.01829 %
City's proportionate share of the net pension liability (asset)	\$ (2,640,039)	\$ (932,236)
City's covered employee payroll	\$ 13,327,077	\$ 12,981,067
<b>City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</b>	(19.8)%	(7.2)%
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	103.2 %	101.1 %

# City of South Bend

## Required Supplemental Information 1977 Firefighters' Pension and Disability Fund Schedule of City Contributions Last Fiscal Year

	2015
Actuarially determined contribution	\$ 743,238
Contributions in relation to the actuarially determined contribution	2,666,116
<b>Contribution Deficiency (Excess)</b>	<b>\$ (1,922,878)</b>
<b>Covered Employee Payroll</b>	<b>\$ 13,533,745</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>19.7 %</b>

### Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increases	2.50% per year
Investment rate of return	6.75% per year
Retirement age	Normal retirement is age 52 with 20 years of service; early retirement is age 50 with 20 years of service (reduced benefit)
Mortality	RP-2014 Total Data Set Mortality Tables with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
Other information	Cost of living increases of 2.0% per year

# City of South Bend

## Required Supplemental Information 1977 Firefighters' Pension and Disability Fund Schedule of the City's Proportionate Share of the Net Pension Liability Last Two Fiscal Years

	2015	2014
City's proportion of the net pension liability (asset)	0.01815 %	0.01795 %
City's proportionate share of the net pension liability (asset)	\$ (2,680,987)	\$ (915,265)
City's covered employee payroll	\$ 13,533,745	\$ 12,744,754
<b>City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</b>	(19.8)%	(7.2)%
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	103.2 %	101.1 %

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds Year Ended December 31, 2015

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
<b>Revenues:</b>				
Taxes - Property	\$ 36,638,888	\$ 37,349,888	\$ 37,349,388	\$ (500)
Licenses and permits	114,200	145,350	152,245	6,895
Intergovernmental	8,335,316	9,203,736	9,199,549	(4,187)
Charges for services	213,005	216,065	3,078	(212,987)
Fines and forfeits	25,920	26,780	14,111	(12,669)
Other	3,671,954	3,759,496	3,358,291	(401,205)
<b>Total revenues</b>	<b>48,999,283</b>	<b>50,701,315</b>	<b>50,076,662</b>	<b>(624,653)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Mayor:</b>				
Personnel services	669,877	684,522	682,067	2,455
Supplies	11,752	12,413	12,328	85
Other services and charges	57,625	58,977	49,407	9,570
<b>Mayor - 311 Call Center:</b>				
Personnel services	441,562	441,562	426,768	14,794
Supplies	5,500	6,125	5,797	328
Other services and charges	23,229	39,046	37,442	1,604
Capital outlay	-			
<b>City Clerk:</b>				
Personnel services	339,442	339,442	313,772	25,670
Supplies	7,740	12,588	10,689	1,899
Other services and charges	69,876	79,543	55,365	24,178
Capital outlay	13,400	-	-	-
<b>Common Council:</b>				
Personnel services	325,242	229,742	223,609	6,133
Supplies	4,403	8,706	7,045	1,661
Other services and charges	198,494	294,702	289,582	5,120
<b>Administration/Finance:</b>				
Personnel services	1,806,651	1,710,406	1,645,093	65,313
Supplies	27,909	40,709	33,314	7,395
Other services and charges	180,659	234,164	209,196	24,968

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
City Attorney:				
Personnel services	\$ 955,213	\$ 948,013	\$ 891,666	\$ 56,347
Supplies	4,544	6,832	5,997	835
Other services and charges	45,662	63,754	47,106	16,648
Human Rights:				
Personnel services	286,475	295,475	292,814	2,661
Supplies	2,010	2,010	954	1,056
Other services and charges	71,931	73,492	67,568	5,924
Capital outlay	-	11,202	10,407	795
Neighborhood Code Enforcement:				
Supplies	-	383	-	383
Other services and charges	-	1,887	-	1,887
 Total General Government	 <u>5,549,196</u>	 <u>5,595,695</u>	 <u>5,317,986</u>	 <u>277,709</u>
Public Safety:				
Police Department:				
Personnel services	22,989,224	22,609,224	22,405,852	203,372
Supplies	289,227	499,279	467,688	31,591
Other services and charges	1,833,060	2,524,561	2,328,802	195,759
Communication Center:				
Personnel services	143,972	143,972	138,008	5,964
Other services and charges	1,543,568	1,543,568	1,543,560	8
Fire Department:				
Personnel services	15,733,861	16,157,086	16,153,069	4,017
Supplies	318,517	320,618	279,312	41,306
Other services and charges	1,207,954	1,296,770	1,295,167	1,603
 Total Public Safety	 <u>44,059,383</u>	 <u>45,095,078</u>	 <u>44,611,458</u>	 <u>483,620</u>

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and Streets:				
Engineering:				
Personnel services	\$ 710,552	\$ 687,352	\$ 675,354	\$ 11,998
Supplies	29,240	52,462	51,544	918
Other services and charges	<u>213,240</u>	<u>319,119</u>	<u>314,551</u>	<u>4,568</u>
Total highways and streets	<u>953,032</u>	<u>1,058,933</u>	<u>1,041,449</u>	<u>17,484</u>
Culture and recreation:				
Palais Royale Ballroom:				
Personnel services	263,505	263,505	237,606	25,899
Supplies	22,757	23,897	15,193	8,704
Other services and charges	210,607	234,891	193,796	41,095
Capital outlay	14,000	14,000	12,072	1,928
Morris Performing Arts Center:				
Personnel services	749,285	749,285	727,372	21,913
Supplies	32,850	33,542	21,828	11,714
Other services and charges	<u>287,621</u>	<u>310,305</u>	<u>275,554</u>	<u>34,751</u>
Total culture and recreation	<u>1,580,625</u>	<u>1,629,425</u>	<u>1,483,421</u>	<u>146,004</u>
Total expenditures	<u>52,142,236</u>	<u>53,379,131</u>	<u>52,454,314</u>	<u>924,817</u>
Other financing sources - Transfers In	<u>3,642,953</u>	<u>3,642,953</u>	<u>3,642,955</u>	<u>2</u>
Other financing sources - Transfers Out	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	965,137	1,265,303	300,166
Fund balances - Beginning	<u>28,684,573</u>	<u>28,684,573</u>	<u>28,684,573</u>	<u>-</u>
Fund balances - Ending	<u>\$ 28,684,573</u>	<u>\$ 29,649,710</u>	<u>\$ 29,949,876</u>	<u>\$ 300,166</u>

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	Parks and Recreation Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - Property	\$ 7,340,000	\$ 7,488,000	\$ 7,487,554	\$ (446)
Intergovernmental	1,510,875	1,551,175	1,551,059	(116)
Charges for services	1,985,640	1,985,640	1,730,286	(255,354)
Fines and forfeits	500	500	(25)	(525)
Other	193,700	193,700	263,065	69,365
Total revenues	<u>11,030,715</u>	<u>11,219,015</u>	<u>11,031,939</u>	<u>(187,076)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	7,105,374	7,081,699	6,875,784	205,915
Supplies	1,074,757	1,153,635	1,025,682	127,953
Other services and charges	<u>2,693,302</u>	<u>2,828,661</u>	<u>2,782,429</u>	<u>46,232</u>
Total expenditures	<u>10,873,433</u>	<u>11,063,995</u>	<u>10,683,895</u>	<u>380,100</u>
Other financing sources - Transfers out	<u>(95,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	61,782	155,020	348,044	193,024
Fund balances - Beginning	<u>3,500,634</u>	<u>3,500,634</u>	<u>3,500,634</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 3,562,416</b></u>	<u><b>\$ 3,655,654</b></u>	<u><b>\$ 3,848,678</b></u>	<u><b>\$ 193,024</b></u>

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	Public Safety LOIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County option income tax	\$ 6,464,911	\$ 6,466,190	\$ 6,466,190	\$ -
Other	6,000	6,050	5,386	(664)
Total revenues	<u>6,470,911</u>	<u>6,472,240</u>	<u>6,471,576</u>	<u>(664)</u>
Expenditures - Personnel services	<u>7,246,551</u>	<u>7,246,551</u>	<u>7,122,876</u>	<u>123,675</u>
Net change in fund balances	(775,640)	(774,311)	(651,300)	123,011
Fund balances - Beginning	<u>1,293,979</u>	<u>1,293,979</u>	<u>1,293,979</u>	<u>-</u>
Fund balances - Ending	<u><u>\$ 518,339</u></u>	<u><u>\$ 519,668</u></u>	<u><u>\$ 642,679</u></u>	<u><u>\$ 123,011</u></u>

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	COIT Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County option income	\$ 8,857,724	\$ 8,859,912	\$ 8,859,912	\$ -
Other	1,024,059	1,067,059	1,055,618	(11,441)
Total revenues	<u>9,881,783</u>	<u>9,926,971</u>	<u>9,915,530</u>	<u>(11,441)</u>
Expenditures:				
Current:				
General Government:				
Personnel Services	427,077	367,077	326,157	40,920
Supplies	1,372,932	1,064,804	922,908	141,896
Other services and charges	10,399,539	11,874,464	11,164,472	709,992
Capital outlay	811,000	1,087,322	1,073,910	13,412
Total expenditures	<u>13,010,548</u>	<u>14,393,667</u>	<u>13,487,447</u>	<u>906,220</u>
Other financing uses - Transfers out	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
Net change in fund balances	(4,628,765)	(5,966,696)	(5,071,917)	894,779
Fund balances - Beginning	<u>14,960,014</u>	<u>14,960,014</u>	<u>14,960,014</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 10,331,249</b></u>	<u><b>\$ 8,993,318</b></u>	<u><b>\$ 9,888,097</b></u>	<u><b>\$ 894,779</b></u>

# City of South Bend, Indiana

## Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2015

	EDIT Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - County economic development income tax	\$ 8,970,839	\$ 9,031,710	\$ 9,031,709	\$ (1)
Other	544,660	567,760	561,373	(6,387)
Total revenues	<u>9,515,499</u>	<u>9,599,470</u>	<u>9,593,082</u>	<u>(6,388)</u>
Expenditures:				
General Government:				
Other services and charges	3,001,350	3,645,967	3,512,277	133,690
Capital outlay	-	4,000	3,200	800
Total expenditures	<u>3,001,350</u>	<u>3,649,967</u>	<u>3,515,477</u>	<u>134,490</u>
Other financing uses - Transfers out	<u>(6,483,782)</u>	<u>(6,483,782)</u>	<u>(6,483,782)</u>	<u>-</u>
Net change in fund balances	30,367	(534,279)	(406,177)	128,102
Fund balances - Beginning	<u>10,176,142</u>	<u>10,176,142</u>	<u>10,176,142</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 10,206,509</b></u>	<u><b>\$ 9,641,863</b></u>	<u><b>\$ 9,769,965</b></u>	<u><b>\$ 128,102</b></u>

# City of South Bend, Indiana

## Required Supplemental Information Budget/GAAP Reconciliation General Fund and Major Special Revenue Funds Year Ended December 31, 2015

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

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

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

	<u>General</u>	<u>Parks and Recreation</u>	<u>Public Safety LOIT</u>	<u>COIT</u>	<u>EDIT</u>
Net change in fund balances (budgetary basis)	\$ 1,265,303	\$ 348,044	\$ (651,300)	\$ (5,071,917)	\$ (406,177)
Adjustments:					
To adjust revenues for accruals	(281,668)	36,911	(13)	(328,065)	299,714
To adjust expenditures for accruals	1,584,928	81,625	196,016	(262,761)	(102,027)
To adjust expenditures for encumbrances	<u>466,088</u>	<u>70,755</u>	-	<u>2,205,471</u>	<u>109,997</u>
Net change in fund balances (GAAP basis)	<u>\$ 3,034,651</u>	<u>\$ 537,335</u>	<u>\$ (455,297)</u>	<u>\$ (3,457,272)</u>	<u>\$ (98,493)</u>

# City of South Bend, Indiana

## Notes to Required Supplemental Information

### Note 1 - Budgets and Budgetary Accounting

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

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

# City of South Bend, Indiana

## Notes to Required Supplemental Information (Continued)

- F. Formal budgetary integration is required by State statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General Fund

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

Capital projects fund - River West TIF

Nonmajor governmental funds:

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

Debt service fund - College Football Hall of Fame debt service, redevelopment bond - airport taxable, Coveleski bond debt service reserve, redevelopment bond - Palais Royale, Century Center Energy Conservation Debt Service

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

- G. The City's budgetary process is based upon cash outflows, which is a non-GAAP basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Common Council and approved by the Indiana Department of Local Government Finance in the regular legal manner. The net effect of individual amendments to the budget increased the original appropriations by \$46,044,296 in 2015 for the funds listed above.
- I. Expenditures did not exceed appropriations for any funds or any departments within the General Fund which required legally approved budgets.

## **Other Supplemental Information**

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# City of South Bend, Indiana

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## Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions

### Special Revenue Funds

**Motor Vehicle Highway** - To account for street construction and the operations of the street maintenance department. Financing is provided by state motor vehicle highway distributions.

**Recreation Non-Reverting** - To account for fees and related expenses from park department activities.

**Studebaker/Oliver Revitalization Grants** - To account for expenditures related to the Studebaker and Oliver revitalization projects. Financing is provided by federal and state grants and loans from other organizations.

**Economic Development State Grants** - To account for expenditures related to projects promoting economic development. Financing is provided by state grants and loan payments. Expenditures include grants and related expenses.

**DCI Operating** - To account for the operating expenditures related to the South Bend Department of Community Investment. Financing will be provided by revenues received from charges for services, other revenue sources, and from fund transfers.

**Community Investment Grants** - To account for revenues received from the U.S. Department of Housing and Urban Development related to community improvement projects.

**Police State Seizure** - To account for law enforcement expenditures financed by the authorized state or local agencies' sale of confiscated property.

**Juvenile Positive Assistance** - To account for monies received from penalties paid for curfew violations. Expenditures include Drug Abuse Resistance Education and Juvenile Aid Bureau.

**Law Enforcement Continuing Education** - To account for police fees collected to finance police officers' continuing education, training, and supplies and equipment.

**Loss Recovery Fund** - To account for compensatory or exemplary damage payments from third parties arising from loss or damage to City tangible or intangible property.

**Emergency Telephone System** - To account for 9-1-1 revenues from the county as well as state grants.

**Local Road and Street** - To account for operation and maintenance of local and arterial road and street systems. Financing is provided by state gasoline tax distributions.

**Excess Welfare Distribution** - To account for a special distribution from the County that can only be spent on public safety expenditures.

**Human Rights Federal** - To account for expenditures to prevent discrimination and to promote human rights. Financing is provided by federal grants.

**East Race Waterway** - To account for donations for the promotion and development of the East Race Waterway.

# City of South Bend, Indiana

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## Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

**Morris and Palais Marketing** - To account for marketing and promotion expenditures financed by sponsorship solicitations and donations.

**Police Block Grants** - To account for federal grants which provide financing for police activities.

**Economic Development Commission** - To account for administrative expenditures of the Economic Development Commission. Financing is provided by fees from businesses applying for Economic Development Revenue Bonds.

**Hazmat** - To account for monies generated by the South Bend Fire Department's response to hazardous materials incidents. Funds are used to purchase, repair, or replace hazmat equipment, or for training and supplies.

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

**COPS Block Grant II** - To account for federal grants which provide financing for police activities.

**Regional Police Academy** - To account for revenues (tuition) and expenditures (seminars, travel, lectures, and career days) related to the advancement of present and future police officers.

**COPS MORE Grant** - To account for a COPS MORE grant which provides financing for police activities.

**Federal Drug Enforcement** - To account for expenditures for drug enforcement. Financing is provided by distributions from the authorized federal agencies' confiscated property sale.

**Gift** - To account for donations, gifts, or bequeaths for purposes designated by the donor.

**Urban Development Action Grant** - To account for economic development expenditures which are financed by federal grants and loan repayments.

**Leaf Collection and Removal** - To account for the expenditures of a program to remove leaves from the City each fall. Financing is provided by a monthly service fee charged to all City residents.

**Police K-9 Unit** - To account for donations for development and maintenance of the K-9 unit.

**Rainy Day** - To account for unused and unencumbered funds that are transferred from a fund that has a tax levy. Revenues in this fund also include special distributions of county option income tax (COIT) and county economic development income tax (CEDIT).

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

# City of South Bend, Indiana

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## Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

**Industrial Revolving** - To account for the revenue and expenditures of providing special loans to qualifying local firms. Financing was originally provided by a \$5,000,000 Economic Adjustment Assistance Grant from the U.S. Department of Commerce.

### Debt Service Funds

**College Football Hall of Fame Debt Service** - To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of the College Football Hall of Fame. Financing is to be provided by an annual property tax levy.

**Redevelopment Bond - Airport Taxable** - To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the airport taxable project.

**Coveleski Bond Debt Service Reserve** - To accumulate monies as a reserve for the payment of the Coveleski Stadium recovery zone economic development bonds. Financing for debt payments is to be provided by professional sports and convention development area taxes (PSCDA) and county option income tax revenues if PSCDA revenues are insufficient.

**Redevelopment Bond - Palais Royale** - To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the Palais Royale project.

**South Bend Building Corporation Debt Service** - To account for debt retirement of the Building Corporation's Mortgage Bonds. Funding is provided by transfers from other City funds.

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

**Smart Streets Debt Service** - To account for debt retirement of 2015 Redevelopment Authority bonds for smart streets/"two-way streets" conversion. Funding is provided by transfers from other City funds.

**Parks Bonds Debt Service Fund** - To account for debt retirement of the 2015 Building Corporation/EDIT bond for park improvements. Funding is provided by transfers from other City funds.

**Century Center Energy Conservation Debt Service** - To account for debt retirement of a 2015 qualified energy conservation bond for improvements at Century Center. Funding is provided by hotel/motel tax revenue, interest rebates, and transfers from other City funds.

### Capital Projects Funds

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

# City of South Bend, Indiana

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## Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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

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

**Park Non-Reverting Capital** - To account for specific revenues used to finance capital improvements at the City parks.

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

**Cumulative Capital Improvement** - To account for state cigarette tax distributions used for improvement projects.

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

**Tax Incremental Financing (TIF) - Downtown** - To account for expenditures for public improvements in the central business tax incremental district. Also, transfers are made to debt service funds to meet debt obligations as they mature. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was closed out into the River West TIF Fund (formerly known as the TIF Airport Fund).

**Tax Incremental Financing (TIF) - Leighton Plaza** - To account for expenditures for public improvement projects in the Leighton Plaza tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was closed out into the River West TIF Fund (formerly known as the TIF Airport Fund).

**Tax Incremental Financing (TIF) - West Washington** - To account for expenditures for public improvement projects in the West Washington Economic Development Area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.

**Redevelopment General** - To account for eligible redevelopment activities in the Studebaker Corridor financed by proceeds from land sales or leases.

**Community Revitalization Enhancement District** - To account for public improvements in the Studebaker/Oliver Community Revitalization Enhancement District. Financing is provided by income tax and gross retail tax increments in the district.

# City of South Bend, Indiana

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## Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

**Tax Incremental Financing (TIF) No. 1 - Southside Development** - To account for expenditures for improvements in the Southside Development Tax incremental district No. 1. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.

**Tax Incremental Financing (TIF) No. 3 - Southside Development** - To account for expenditures for improvements in the Southside Development tax incremental district No. 3. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.

**Tax Incremental Financing (TIF) - Central Medical Service Area** - To account for expenditures for public improvements in the central business tax incremental district, medical service area. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was closed out into the River West TIF Fund (formerly known as the TIF Airport Fund).

**Football Hall of Fame Capital** - To account for capital expenditures for the College Football Hall of Fame. Financing was provided by a transfer from the City's Professional Sports Development Fund. This fund also accounts for the advance from the General Fund which may be repaid from future operating surpluses.

**Major Moves** - To account for state distributions used for road construction and other uses authorized by Indiana statute.

**Tax Incremental Financing (TIF) - River East Development** - To account for expenditures for improvements in the northeast development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was renamed. It was formerly known as the TIF Northeast Development Fund.

**Tax Incremental Financing (TIF) - Douglas Road** - To account for expenditures for improvements in the Douglas Road development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.

**Tax Incremental Financing (TIF) - River East Residential** - To account for expenditures for improvements in the Northeast Neighborhood Residential development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was renamed. It was formerly known as the TIF Northeast Residential Fund.

## City of South Bend, Indiana

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### **Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)**

**Certified Technology Park** - To account for expenditures related to acquisition, improvements, construction and maintenance of public facilities, debt service, and other permitted uses under Indiana Code 36-7-32-23 in connection with a certified technology park. Financing is provided by property tax proceeds, state gross retail and uses taxes, and other revenues.

**Palais Royale Historic Preservation** - To account for expenditures financed by a 2 percent fee charged for all Palais Royale services.

**Airport Urban Enterprise Zone** - To account for expenditures for improvements in the Zone area, financed by property taxes on qualifying properties in the Zone.

**Equipment Leasing** - To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.

**Century Center Energy Conservation Bond** - To account for capital expenditures at Century Center funded by a qualified energy conservation bond (QECCB) and other sources.

**Smart Steets Bond Capital Projects Fund** - To account for capital expenditures in connection with the conversion of one-way streets to two-way streets in the downtown area. Funding is provided by a Redevelopment Authority bond.

**Parks Bond Capital Projects Fund** - To account for capital expenditures in the City parks with funding provided by a Building Corporation bond.

# City of South Bend, Indiana

	Special Revenue Funds				
	Studebaker				
	Motor Vehicle Highway	Recreation Nonreverting	Oliver Revitalization Grants	Economic Development State Grants	DCI Operating
<b>Assets</b>					
Cash and cash equivalents	\$ 1,057,082	\$ 166,676	\$ 224,263	\$ 157,121	\$ 227,319
Investments	4,153,870	654,964	881,255	3,229	893,265
Receivables:					
Taxes	-	-	-	-	-
Accounts	47,481	2,337	-	-	29,644
Interest	8,332	1,309	1,760	12	1,792
Intergovernmental	789,902	-	-	1,633,937	-
Loans	-	-	-	379,015	-
Due from other funds	69	1,304	-	-	-
Advances to other funds	-	-	500,000	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,056,736</b>	<b>\$ 826,590</b>	<b>\$ 1,607,278</b>	<b>\$ 2,173,314</b>	<b>\$ 1,152,020</b>
<b>Liabilities</b>					
Accounts payable	\$ 262,857	\$ 12,307	\$ 23,232	\$ 1,462,492	\$ 3,535
Due to other funds	579	-	-	-	1,170
Advances from other funds	-	-	-	-	-
Accrued liabilities and other - Accrued payroll payable	46,619	3,864	-	-	24,974
Other current payables	-	-	-	-	-
<b>Total liabilities</b>	<b>310,055</b>	<b>16,171</b>	<b>23,232</b>	<b>1,462,492</b>	<b>29,679</b>
<b>Fund Balances</b>					
Nonspendable	-	-	500,000	302,069	-
Restricted	5,746,681	810,419	1,084,046	408,753	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,122,341
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>5,746,681</b>	<b>810,419</b>	<b>1,584,046</b>	<b>710,822</b>	<b>1,122,341</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,056,736</b>	<b>\$ 826,590</b>	<b>\$ 1,607,278</b>	<b>\$ 2,173,314</b>	<b>\$ 1,152,020</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2015**

Special Revenue Funds							
Law							
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Enforcement Continuing Education	Loss Recovery Fund	Emergency Telephone System	Local Road and Street	Excess Welfare Distribution
\$ 112,041	\$ 40,457	\$ 2,479	\$ 184,507	\$ 201,182	\$ 33,671	\$ 552,427	\$ 8
440,272	158,977	9,740	725,033	790,556	-	2,170,798	-
-	-	-	-	-	-	-	-
-	15,083	-	27,806	-	-	241,510	-
842	318	19	1,448	1,580	-	4,333	-
-	-	-	-	-	-	85,510	-
247,107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,155,452	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 3,955,714</b>	<b>\$ 214,835</b>	<b>\$ 12,238</b>	<b>\$ 938,794</b>	<b>\$ 993,318</b>	<b>\$ 33,671</b>	<b>\$ 3,054,578</b>	<b>\$ 8</b>
\$ 290,031	\$ -	\$ -	\$ 25,098	\$ 3,208	\$ -	\$ 111,372	\$ -
36,769	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,869	-	-	-	-	-	-	-
330,669	-	-	25,098	3,208	-	111,372	-
3,348,196	-	-	-	-	-	-	-
276,849	214,835	-	913,696	-	33,671	2,943,206	8
-	-	12,238	-	990,110	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,625,045	214,835	12,238	913,696	990,110	33,671	2,943,206	8
<b>\$ 3,955,714</b>	<b>\$ 214,835</b>	<b>\$ 12,238</b>	<b>\$ 938,794</b>	<b>\$ 993,318</b>	<b>\$ 33,671</b>	<b>\$ 3,054,578</b>	<b>\$ 8</b>

# City of South Bend, Indiana

	Special Revenue Funds				
	Human Rights Federal	East Race Waterway	Morris and Palais Marketing	Police Block Grants	Economic Development Commission
<b>Assets</b>					
Cash and cash equivalents	\$ 78,334	\$ 270	\$ 6,148	\$ 780	\$ 5,542
Investments	346,532	1,063	24,158	3,064	21,778
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	200	-	-
Interest	555	2	48	6	43
Intergovernmental	71,000	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 496,421</b>	<b>\$ 1,335</b>	<b>\$ 30,554</b>	<b>\$ 3,850</b>	<b>\$ 27,363</b>
<b>Liabilities</b>					
Accounts payable	\$ 795	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other - Accrued payroll payable	1,582	-	-	-	-
Other current payables	-	-	-	-	-
<b>Total liabilities</b>	<b>2,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	494,044	-	-	3,850	-
Committed	-	1,335	30,554	-	27,363
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>494,044</b>	<b>1,335</b>	<b>30,554</b>	<b>3,850</b>	<b>27,363</b>
<b>Total liabilities and fund balances</b>	<b>\$ 496,421</b>	<b>\$ 1,335</b>	<b>\$ 30,554</b>	<b>\$ 3,850</b>	<b>\$ 27,363</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2015**

Special Revenue Funds							
Hazmat	Indiana River Rescue	COPS Block Grant II	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Gift	Urban Development Action Grant
\$ 6,494	\$ 19,332	\$ 121,196	\$ 14,223	\$ 24,621	\$ 252,752	\$ 13,140	\$ 127,687
25,519	75,967	-	55,889	96,751	-	51,635	501,754
-	-	-	-	-	-	-	-
-	-	-	1,950	270	-	-	-
51	151	-	112	193	94	103	1,020
-	-	-	-	7,319	-	-	-
-	-	-	-	-	-	-	739,400
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 32,064</b>	<b>\$ 95,450</b>	<b>\$ 121,196</b>	<b>\$ 72,174</b>	<b>\$ 129,154</b>	<b>\$ 252,846</b>	<b>\$ 64,878</b>	<b>\$ 1,369,861</b>
\$ -	\$ 1,800	\$ 6,713	\$ 251	\$ 407	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,589,771
-	46	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,846	6,713	251	407	-	-	1,589,771
-	-	-	-	-	-	-	117,010
-	-	114,483	-	128,747	252,846	64,878	622,390
32,064	-	-	71,923	-	-	-	-
-	93,604	-	-	-	-	-	-
-	-	-	-	-	-	-	(959,310)
32,064	93,604	114,483	71,923	128,747	252,846	64,878	(219,910)
<b>\$ 32,064</b>	<b>\$ 95,450</b>	<b>\$ 121,196</b>	<b>\$ 72,174</b>	<b>\$ 129,154</b>	<b>\$ 252,846</b>	<b>\$ 64,878</b>	<b>\$ 1,369,861</b>

# City of South Bend, Indiana

	Special Revenue Funds						
	Leaf					Industrial	Total
	Collection and Removal	Police K-9 Unit	Rainy Day	Excess Levy	Revolving Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 186,799	\$ 784	\$ 1,760,578	\$ 742	\$ 1,812,796	\$ 7,391,451	
Investments	734,037	3,079	6,918,304	2,917	235,456	19,979,862	
Receivables:							
Taxes	-	-	-	-	-	-	
Accounts	36,815	-	-	-	-	403,096	
Interest	1,465	6	13,817	6	-	39,417	
Intergovernmental	-	-	-	-	-	2,587,668	
Loans	-	-	-	-	4,875,110	6,240,632	
Due from other funds	-	-	-	-	-	1,373	
Advances to other funds	-	-	-	-	-	500,000	
Property held for resale	-	-	-	-	97,800	3,253,252	
Restricted assets	-	-	-	-	-	-	
<b>Total assets</b>	<b>\$ 959,116</b>	<b>\$ 3,869</b>	<b>\$ 8,692,699</b>	<b>\$ 3,665</b>	<b>\$ 7,021,162</b>	<b>\$ 40,396,751</b>	
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,204,098	
Due to other funds	-	-	-	-	-	38,518	
Advances from other funds	-	-	-	-	-	1,589,771	
Accrued liabilities and other - Accrued payroll payable	-	-	-	-	-	77,085	
Other current payables	-	-	-	-	-	3,869	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,913,341</b>	
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	4,174,946	8,442,221	
Restricted	-	-	-	-	2,846,216	16,959,618	
Committed	-	-	-	-	-	1,165,587	
Assigned	959,116	3,869	8,692,699	3,665	-	10,875,294	
Unassigned	-	-	-	-	-	(959,310)	
<b>Total fund balances</b>	<b>959,116</b>	<b>3,869</b>	<b>8,692,699</b>	<b>3,665</b>	<b>7,021,162</b>	<b>36,483,410</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 959,116</b>	<b>\$ 3,869</b>	<b>\$ 8,692,699</b>	<b>\$ 3,665</b>	<b>\$ 7,021,162</b>	<b>\$ 40,396,751</b>	

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2015**

Debt Service Funds							
College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	Smart Streets Debt Service	Parks Bond Debt Service Fund
\$ 16,371	\$ 210,155	\$ 102,858	\$ 351,136	\$ 561,710	\$ 561,115	\$ 2,895,787	\$ 555,687
211	825,819	404,188	1,379,810	-	-	-	-
-	-	-	-	-	-	-	-
-	1,649	807	2,756	-	-	49	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 16,582</u>	<u>\$ 1,037,623</u>	<u>\$ 507,853</u>	<u>\$ 1,733,702</u>	<u>\$ 561,710</u>	<u>\$ 561,115</u>	<u>\$ 2,895,836</u>	<u>\$ 555,687</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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# City of South Bend, Indiana

	Debt Service Funds		Capital Projects Funds		
	Century Center Energy Conservation Debt Service	Total	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment
<b>Assets</b>					
Cash and cash equivalents	\$ 50,032	\$ 5,304,851	\$ 86,564	\$ 16,721	\$ 10,015
Investments	-	2,610,028	340,160	65,707	39,355
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	5,261	679	131	79
Intergovernmental	-	-	149,007	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 50,032</b>	<b>\$ 7,920,140</b>	<b>\$ 576,410</b>	<b>\$ 82,559</b>	<b>\$ 49,449</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 22,000	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Accrued liabilities and other - Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,000</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	50,032	7,920,140	576,410	-	-
Committed	-	-	-	60,559	49,449
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>50,032</b>	<b>7,920,140</b>	<b>576,410</b>	<b>60,559</b>	<b>49,449</b>
<b>Total liabilities and fund balances</b>	<b>\$ 50,032</b>	<b>\$ 7,920,140</b>	<b>\$ 576,410</b>	<b>\$ 82,559</b>	<b>\$ 49,449</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2015**

Capital Projects Funds							
Morris							
Park Nonreverting Capital	Cumulative Capital Development	Cumulative Capital Improvement	Performing Arts Center Capital	TIF Downtown	TIF Leighton Plaza	TIF - West Washington	Redevelopment General
\$ 34,842	\$ 115,850	\$ 63,040	\$ 104,662	\$ -	\$ 84,013	\$ 305,206	\$ 1,763
373,867	455,240	247,718	411,277	-	131,219	1,199,326	6,926
-	-	-	-	-	-	84,361	-
-	-	-	-	-	2,192	-	-
742	903	492	821	-	262	2,392	14
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	436,690	-
60,300	-	-	-	-	-	-	-
<b>\$ 469,751</b>	<b>\$ 571,993</b>	<b>\$ 311,250</b>	<b>\$ 516,760</b>	<b>\$ -</b>	<b>\$ 217,686</b>	<b>\$ 2,027,975</b>	<b>\$ 8,703</b>
\$ -	\$ -	\$ -	\$ 9,945	\$ -	\$ 4,996	\$ 3,366	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	6,112	-	-
-	-	-	9,945	-	11,108	3,366	-
-	-	-	-	-	-	436,690	-
469,751	571,993	311,250	-	-	206,578	1,587,919	-
-	-	-	506,815	-	-	-	-
-	-	-	-	-	-	-	8,703
-	-	-	-	-	-	-	-
469,751	571,993	311,250	506,815	-	206,578	2,024,609	8,703
<b>\$ 469,751</b>	<b>\$ 571,993</b>	<b>\$ 311,250</b>	<b>\$ 516,760</b>	<b>\$ -</b>	<b>\$ 217,686</b>	<b>\$ 2,027,975</b>	<b>\$ 8,703</b>

# City of South Bend, Indiana

	Capital Projects Funds				
	Community	TIF No. 1 -	TIF No. 3 -	TIF-Central	Football Hall of
	Revitalization Enhancement District	Southside Development	Southside Development	Medical Service Area	Fame Capital
<b>Assets</b>					
Cash and cash equivalents	\$ 2,404	\$ 1,234,613	\$ 1,073,995	\$ -	\$ 101,857
Investments	-	4,851,492	4,220,333	-	400,254
Receivables:					
Taxes	-	173,447	-	-	-
Accounts	-	-	-	-	-
Interest	45	9,660	8,428	-	800
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,449</b>	<b>\$ 6,269,212</b>	<b>\$ 5,302,756</b>	<b>\$ -</b>	<b>\$ 502,911</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 153,472	\$ -	\$ -	\$ 10,509
Due to other funds	-	-	-	-	737
Advances from other funds	-	-	-	-	491,665
Accrued liabilities and other - Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>153,472</b>	<b>-</b>	<b>-</b>	<b>502,911</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	2,449	6,115,740	5,302,756	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>2,449</b>	<b>6,115,740</b>	<b>5,302,756</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,449</b>	<b>\$ 6,269,212</b>	<b>\$ 5,302,756</b>	<b>\$ -</b>	<b>\$ 502,911</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2015**

Capital Projects Funds							
Major Moves	TIF River East Development	TIF Douglas Road	TIF - River East Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing
\$ 436,896	\$ 1,531,500	\$ 30,720	\$ 328,133	\$ 460,456	\$ 15,477	\$ 76,892	\$ 422,833
1,716,811	6,018,127	120,715	1,289,420	1,809,392	60,820	302,152	-
-	185,320	40,736	-	-	-	-	-
-	-	-	-	-	-	-	-
3,429	12,017	238	2,465	3,619	121	603	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,071,713	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 7,228,849</b>	<b>\$ 7,746,964</b>	<b>\$ 192,409</b>	<b>\$ 1,620,018</b>	<b>\$ 2,273,467</b>	<b>\$ 76,418</b>	<b>\$ 379,647</b>	<b>\$ 422,833</b>
\$ 129,904	\$ 85,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	635,520	4,436,193	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
129,904	85,558	635,520	4,436,193	-	-	-	-
5,071,713	-	-	-	-	-	-	-
2,027,232	7,661,406	-	-	2,273,467	-	-	422,833
-	-	-	-	-	76,418	379,647	-
-	-	-	-	-	-	-	-
-	-	(443,111)	(2,816,175)	-	-	-	-
7,098,945	7,661,406	(443,111)	(2,816,175)	2,273,467	76,418	379,647	422,833
<b>\$ 7,228,849</b>	<b>\$ 7,746,964</b>	<b>\$ 192,409</b>	<b>\$ 1,620,018</b>	<b>\$ 2,273,467</b>	<b>\$ 76,418</b>	<b>\$ 379,647</b>	<b>\$ 422,833</b>

# City of South Bend

## Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds December 31, 2015

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Century			Total	
	Center Energy Conservation Bond	Smart Streets Bond Capital Projects Fund	Parks Bond Capital Projects Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ 1,348,997	\$ 19,053,536	\$ 4,995,004	\$ 31,935,989	\$ 44,632,291
Investments	-	-	-	24,060,311	46,650,201
Receivables:					
Taxes	-	-	-	483,864	483,864
Accounts	-	-	-	2,192	405,288
Interest	-	329	-	48,269	92,947
Intergovernmental	-	-	-	149,007	2,736,675
Loans	-	-	-	-	6,240,632
Due from other funds	-	-	-	-	1,373
Advances to other funds	-	-	-	5,071,713	5,571,713
Property held for resale	-	-	-	436,690	3,689,942
Restricted assets	-	-	-	60,300	60,300
<b>Total assets</b>	<b>\$ 1,348,997</b>	<b>\$ 19,053,865</b>	<b>\$ 4,995,004</b>	<b>\$ 62,248,335</b>	<b>\$ 110,565,226</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,005,519	\$ 30,078	\$ 44,773	\$ 1,500,120	\$ 3,704,218
Due to other funds	-	-	-	737	39,255
Advances from other funds	-	-	-	5,563,378	7,153,149
Accrued liabilities and other - Accrued payroll payable	-	-	-	-	77,085
Other current payables	-	-	-	6,112	9,981
<b>Total liabilities</b>	<b>1,005,519</b>	<b>30,078</b>	<b>44,773</b>	<b>7,070,347</b>	<b>10,983,688</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	5,508,403	13,950,624
Restricted	343,478	19,023,787	4,950,231	51,847,280	76,727,038
Committed	-	-	-	1,072,888	2,238,475
Assigned	-	-	-	8,703	10,883,997
Unassigned	-	-	-	(3,259,286)	(4,218,596)
<b>Total fund balances</b>	<b>343,478</b>	<b>19,023,787</b>	<b>4,950,231</b>	<b>55,177,988</b>	<b>99,581,538</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,348,997</b>	<b>\$ 19,053,865</b>	<b>\$ 4,995,004</b>	<b>\$ 62,248,335</b>	<b>\$ 110,565,226</b>

# City of South Bend, Indiana

	Special Revenue Funds				
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating
<b>Revenue</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	5,893,499	-	128,597	2,590,236	257,933
Charges for services	269,795	941,966	-	-	282,530
Fines and forfeitures	-	-	-	-	-
Investment income	27,722	5,025	6,336	11,222	6,512
Rental income	-	-	-	-	-
Other revenue	44,083	50,324	-	749	2,481
<b>Total revenue</b>	<b>6,235,099</b>	<b>997,315</b>	<b>134,933</b>	<b>2,602,207</b>	<b>549,456</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	8,510,104	-	-	-	-
Community and economic development	-	-	137,576	2,560,444	2,390,880
Culture and recreation	-	985,934	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	357,769	-	-	59,966	-
Interest on long-term debt	19,934	-	-	12,044	-
<b>Total expenditures</b>	<b>8,887,807</b>	<b>985,934</b>	<b>137,576</b>	<b>2,632,454</b>	<b>2,390,880</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(2,652,708)</b>	<b>11,381</b>	<b>(2,643)</b>	<b>(30,247)</b>	<b>(1,841,424)</b>
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	623,430	-	-	-	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	13,529	-	-	-	-
Transfers in	3,703,000	-	-	-	1,967,638
Transfers out	-	(3,550)	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,339,959</b>	<b>(3,550)</b>	<b>-</b>	<b>-</b>	<b>1,967,638</b>
<b>Net Change in Fund Balances</b>	<b>1,687,251</b>	<b>7,831</b>	<b>(2,643)</b>	<b>(30,247)</b>	<b>126,214</b>
<b>Fund Balances - Beginning of year</b>	<b>4,059,430</b>	<b>802,588</b>	<b>1,586,689</b>	<b>741,069</b>	<b>996,127</b>
<b>Fund Balances - End of year</b>	<b>\$ 5,746,681</b>	<b>\$ 810,419</b>	<b>\$ 1,584,046</b>	<b>\$ 710,822</b>	<b>\$ 1,122,341</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Special Revenue Funds						
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Law Enforcement Continuing Education	Loss Recovery Fund	Emergency Telephone System	Local Road and Street
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
2,338,715	-	-	-	-	-	1,045,399
-	-	-	170,947	-	-	-
1,252	1,114	163	85,423	-	-	-
-	-	69	5,591	53,857	19	15,255
312,295	29,397	-	17,078	-	13,769	687,871
2,652,262	30,511	232	279,039	53,857	13,788	1,748,525
-	-	-	-	2,803,096	-	-
-	3,116	-	346,533	-	-	-
2,948,658	-	-	-	1,882,210	-	1,326,494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
180,000	-	-	-	-	-	-
-	-	-	-	-	-	-
3,128,658	3,116	-	346,533	4,685,306	-	1,326,494
(476,396)	27,395	232	(67,494)	(4,631,449)	13,788	422,031
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(476,396)	27,395	232	(67,494)	(4,631,449)	13,788	422,031
4,101,441	187,440	12,006	981,190	5,621,559	19,883	2,521,175
<b>\$ 3,625,045</b>	<b>\$ 214,835</b>	<b>\$ 12,238</b>	<b>\$ 913,696</b>	<b>\$ 990,110</b>	<b>\$ 33,671</b>	<b>\$ 2,943,206</b>

# City of South Bend, Indiana

Special Revenue Funds					
	Excess Welfare Distribution	Human Rights Federal	East Race Waterway	Morris and Palais Marketing	Police Block Grants
<b>Revenue</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	146,450	-	-	-
Charges for services	-	-	-	11,221	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	2,434	21	159	22
Rental income	-	-	-	-	-
Other revenue	-	24,159	-	-	-
Total revenue	-	173,043	21	11,380	22
<b>Expenditures</b>					
Current:					
General government	-	194,793	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	3,999	7,541	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	-	194,793	3,999	7,541	-
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	-	(21,750)	(3,978)	3,839	22
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	-	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	-	(21,750)	(3,978)	3,839	22
<b>Fund Balances - Beginning of year</b>	8	515,794	5,313	26,715	3,828
<b>Fund Balances - End of year</b>	<u>\$ 8</u>	<u>\$ 494,044</u>	<u>\$ 1,335</u>	<u>\$ 30,554</u>	<u>\$ 3,850</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Special Revenue Funds						
Economic Development Commission	Hazmat	Indiana River Rescue	COPS Block Grant II	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	56,891	-	62,303	-
-	-	53,950	-	24,588	-	-
-	-	-	-	-	-	-
158	188	494	55	390	624	981
-	-	-	-	-	-	-
-	-	-	-	-	20,070	68,584
<u>158</u>	<u>188</u>	<u>54,444</u>	<u>56,946</u>	<u>24,978</u>	<u>82,997</u>	<u>69,565</u>
-	-	-	-	-	-	-
-	602	64,593	22,574	18,616	40,029	145,694
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>602</u>	<u>64,593</u>	<u>22,574</u>	<u>18,616</u>	<u>40,029</u>	<u>145,694</u>
158	(414)	(10,149)	34,372	6,362	42,968	(76,129)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
158	(414)	(10,149)	34,372	6,362	42,968	(76,129)
<u>27,205</u>	<u>32,478</u>	<u>103,753</u>	<u>80,111</u>	<u>65,561</u>	<u>85,779</u>	<u>328,975</u>
<u>\$ 27,363</u>	<u>\$ 32,064</u>	<u>\$ 93,604</u>	<u>\$ 114,483</u>	<u>\$ 71,923</u>	<u>\$ 128,747</u>	<u>\$ 252,846</u>

# City of South Bend, Indiana

Special Revenue Funds					
	Gift	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Rainy Day
<b>Revenue</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	438,225	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	506	1,545	6,147	20	50,131
Rental income	-	-	-	-	-
Other revenue	8,870	9,999	-	1,000	-
Total revenue	9,376	11,544	444,372	1,020	50,131
<b>Expenditures</b>					
Current:					
General government	48,368	-	79,280	-	-
Public safety	-	-	-	971	-
Highways and streets	1,349	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	68,587	-	-
Interest on long-term debt	-	-	3,631	-	-
Total expenditures	49,717	-	151,498	971	-
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	(40,341)	11,544	292,874	49	50,131
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	-	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(350,000)	-	-
Total other financing sources (uses)	-	-	(350,000)	-	-
<b>Net Change in Fund Balances</b>	(40,341)	11,544	(57,126)	49	50,131
<b>Fund Balances - Beginning of year</b>	105,219	(231,454)	1,016,242	3,820	8,642,568
<b>Fund Balances - End of year</b>	<u>\$ 64,878</u>	<u>\$ (219,910)</u>	<u>\$ 959,116</u>	<u>\$ 3,869</u>	<u>\$ 8,692,699</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Special Revenue Funds			Debt Service Funds			
Excess Levy	Industrial Revolving Fund	Total	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
\$ -	\$ -	\$ -	\$ 905,783	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	12,520,023	74,194	-	-	-
-	-	2,193,222	-	-	-	-
-	-	85,586	-	-	-	-
17	151,293	349,159	61	6,013	2,928	10,050
-	-	-	-	-	-	-
-	19,416	1,310,145	-	-	-	-
17	170,709	16,458,135	980,038	6,013	2,928	10,050
-	-	3,125,537	-	-	-	-
-	-	642,728	-	-	-	-
-	-	11,720,157	-	-	-	-
-	103,820	8,141,378	-	-	-	-
-	-	997,474	-	-	-	-
-	-	-	-	-	-	-
-	-	666,322	1,150,000	-	-	-
-	-	35,609	116,833	-	-	-
-	103,820	25,329,205	1,266,833	-	-	-
17	66,889	(8,871,070)	(286,795)	6,013	2,928	10,050
-	-	623,430	-	-	-	-
-	-	-	-	-	-	-
-	-	13,529	-	-	-	-
-	-	5,670,638	220,578	-	-	-
-	-	(353,550)	-	(6,740)	-	(11,262)
-	-	5,954,047	220,578	(6,740)	-	(11,262)
17	66,889	(2,917,023)	(66,217)	(727)	2,928	(1,212)
3,648	6,954,273	39,400,433	82,799	1,038,350	504,925	1,734,914
<b>\$ 3,665</b>	<b>\$ 7,021,162</b>	<b>\$ 36,483,410</b>	<b>\$ 16,582</b>	<b>\$ 1,037,623</b>	<b>\$ 507,853</b>	<b>\$ 1,733,702</b>

# City of South Bend, Indiana

	Debt Service Funds			
	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	Smart Streets Debt Service	Parks Bond Debt Service Fund
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	90	-	439	8
Rental income	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenue</b>	<b>90</b>	<b>-</b>	<b>439</b>	<b>8</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	107,977	-	-	-
Highways and streets	3,000	-	-	-
Community and economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,637,965	220,000	-	-
Interest on long-term debt	517,405	268,380	245,644	-
<b>Total expenditures</b>	<b>2,266,347</b>	<b>488,380</b>	<b>245,644</b>	<b>-</b>
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	<b>(2,266,257)</b>	<b>(488,380)</b>	<b>(245,205)</b>	<b>8</b>
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	-	-	3,141,041	-
Premium on refunding debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	2,165,606	488,380	-	555,679
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,165,606</b>	<b>488,380</b>	<b>3,141,041</b>	<b>555,679</b>
<b>Net Change in Fund Balances</b>	<b>(100,651)</b>	<b>-</b>	<b>2,895,836</b>	<b>555,687</b>
<b>Fund Balances - Beginning of year</b>	<b>662,361</b>	<b>561,115</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - End of year</b>	<b>\$ 561,710</b>	<b>\$ 561,115</b>	<b>\$ 2,895,836</b>	<b>\$ 555,687</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Debt Service Funds		Capital Projects Funds				
Century Center Energy Conservation Debt Service	Total	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment	Park Nonreverting Capital	Cumulative Capital Development
\$ -	\$ 905,783	\$ -	\$ -	\$ -	\$ -	\$ 428,312
-	-	626,192	-	-	-	-
-	74,194	-	-	-	-	38,148
-	-	-	-	-	7,613	-
-	-	-	-	-	-	-
32	19,621	2,394	254	285	2,517	2,316
-	-	-	-	-	-	-
-	-	56,232	41,853	-	250	-
32	999,598	684,818	42,107	285	10,380	468,776
-	-	-	-	-	-	-
-	107,977	-	-	-	-	-
-	3,000	-	-	-	-	-
-	-	800	-	-	-	-
-	-	-	-	-	-	-
-	-	-	22,000	-	65,812	-
-	3,007,965	720,000	-	-	-	510,970
-	1,148,262	134,803	-	-	-	19,693
-	4,267,204	855,603	22,000	-	65,812	530,663
32	(3,267,606)	(170,785)	20,107	285	(55,432)	(61,887)
-	3,141,041	-	-	-	-	-
-	-	-	-	-	-	-
50,000	3,480,243	-	-	-	-	52,191
-	(18,002)	-	-	-	-	-
50,000	6,603,282	-	-	-	-	52,191
50,032	3,335,676	(170,785)	20,107	285	(55,432)	(9,696)
-	4,584,464	747,195	40,452	49,164	525,183	581,689
<b>\$ 50,032</b>	<b>\$ 7,920,140</b>	<b>\$ 576,410</b>	<b>\$ 60,559</b>	<b>\$ 49,449</b>	<b>\$ 469,751</b>	<b>\$ 571,993</b>

# City of South Bend, Indiana

Capital Projects Funds					
	Cumulative Capital Improvement	Morris Performing Arts Center Capital	TIF Downtown	TIF Leighton Plaza	TIF - West Washington
<b>Revenue</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 487,272
Professional sports development taxes	-	-	-	-	-
Intergovernmental	403,987	-	-	-	-
Charges for services	-	61,164	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	645	2,981	-	864	6,997
Rental income	25,000	-	-	-	-
Other revenue	-	-	-	160,202	-
Total revenue	429,632	64,145	-	161,066	494,269
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	71,505	-	126,814	102,144
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	-	71,505	-	126,814	102,144
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	429,632	(7,360)	-	34,252	392,125
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	-	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(367,875)	-	(9,941,478)	-	-
Total other financing sources (uses)	(367,875)	-	(9,941,478)	-	-
<b>Net Change in Fund Balances</b>	61,757	(7,360)	(9,941,478)	34,252	392,125
<b>Fund Balances - Beginning of year</b>	249,493	514,175	9,941,478	172,326	1,632,484
<b>Fund Balances - End of year</b>	<u>\$ 311,250</u>	<u>\$ 506,815</u>	<u>\$ -</u>	<u>\$ 206,578</u>	<u>\$ 2,024,609</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Capital Projects Funds						
Redevelopment General	Community Revitalization Enhancement District	TIF No. 1 - Southside Development	TIF No. 3 - Southside Development	TIF-Central Medical Service Area	Football Hall of Fame Capital	Major Moves
\$ -	\$ -	\$ 2,379,269	\$ 19,183	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59	377	26,920	31,654	-	3,122	249,442
-	-	-	-	-	-	-
59	377	2,406,189	50,837	-	3,122	249,442
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	105,000	-	-	-	-	-
1,447	-	762,481	201,724	-	69,761	2,256,767
-	-	-	-	-	-	-
-	7,794	-	-	-	-	-
1,447	112,794	762,481	201,724	-	69,761	2,256,767
(1,388)	(112,417)	1,643,708	(150,887)	-	(66,639)	(2,007,325)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	66,639	-
-	-	-	(488,380)	(2,215,650)	-	-
-	-	-	(488,380)	(2,215,650)	66,639	-
(1,388)	(112,417)	1,643,708	(639,267)	(2,215,650)	-	(2,007,325)
10,091	114,866	4,472,032	5,942,023	2,215,650	-	9,106,270
<b>\$ 8,703</b>	<b>\$ 2,449</b>	<b>\$ 6,115,740</b>	<b>\$ 5,302,756</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,098,945</b>

# City of South Bend, Indiana

	Capital Projects Funds				
	TIF River East Development	TIF Douglas Road	TIF - River East Residential	Certified Technology Park	Palais Royale Historic Preservation
<b>Revenue</b>					
Property taxes	\$ 2,606,628	\$ 311,494	\$ 3,340,680	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	12,864
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	35,131	411	(571)	25,185	390
Rental income	-	-	-	48,335	-
Other revenue	-	256	-	-	-
<b>Total revenue</b>	<b>2,641,759</b>	<b>312,161</b>	<b>3,340,109</b>	<b>73,520</b>	<b>13,254</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	2,820,835	-
Culture and recreation	-	-	-	-	-
Capital outlay	874,376	-	-	-	-
Debt service:					
Principal	-	47,003	-	-	-
Interest on long-term debt	-	43,027	189,503	-	-
<b>Total expenditures</b>	<b>874,376</b>	<b>90,030</b>	<b>189,503</b>	<b>2,820,835</b>	<b>-</b>
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	<b>1,767,383</b>	<b>222,131</b>	<b>3,150,606</b>	<b>(2,747,315)</b>	<b>13,254</b>
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	-	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	19,357	-	-	-	-
Transfers in	1,430,965	-	-	-	-
Transfers out	-	-	(2,931,500)	-	-
<b>Total other financing sources (uses)</b>	<b>1,450,322</b>	<b>-</b>	<b>(2,931,500)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,217,705</b>	<b>222,131</b>	<b>219,106</b>	<b>(2,747,315)</b>	<b>13,254</b>
<b>Fund Balances - Beginning of year</b>	<b>4,443,701</b>	<b>(665,242)</b>	<b>(3,035,281)</b>	<b>5,020,782</b>	<b>63,164</b>
<b>Fund Balances - End of year</b>	<b>\$ 7,661,406</b>	<b>\$ (443,111)</b>	<b>\$ (2,816,175)</b>	<b>\$ 2,273,467</b>	<b>\$ 76,418</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2015**

Capital Projects Funds							Total Nonmajor Governmental Funds
Airport Urban Enterprise Zone	Equipment Leasing	Century Center Energy Conservation Bond	Smart Streets Bond Capital Projects Fund	Parks Bond Capital Projects Fund	Total		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,572,838	\$ 10,478,621	
-	-	-	-	-	626,192	626,192	
-	-	-	-	-	454,999	13,049,216	
-	-	-	-	-	68,777	2,261,999	
-	-	-	-	-	-	85,586	
2,189	24	-	3,104	354	397,044	765,824	
-	-	-	-	-	73,335	73,335	
-	250	-	-	-	259,043	1,569,188	
2,189	274	-	3,104	354	11,452,228	28,909,961	
-	-	-	-	-	-	3,125,537	
-	-	-	-	-	-	750,705	
-	-	-	176,916	-	176,916	11,900,073	
-	-	-	-	-	2,926,635	11,068,013	
-	-	-	-	247,900	247,900	1,245,374	
-	2,315,948	3,824,419	2,815,484	93,405	13,604,087	13,604,087	
-	539	-	-	-	1,278,512	4,952,799	
-	-	-	-	-	394,820	1,578,691	
-	2,316,487	3,824,419	2,992,400	341,305	18,628,870	48,225,279	
2,189	(2,316,213)	(3,824,419)	(2,989,296)	(340,951)	(7,176,642)	(19,315,318)	
-	2,435,515	4,167,897	21,858,960	5,605,000	34,067,372	37,831,843	
-	-	-	154,123	83,495	237,618	237,618	
-	-	-	-	-	19,357	32,886	
-	-	-	-	-	1,549,795	10,700,676	
-	-	-	-	(397,313)	(16,342,196)	(16,713,748)	
-	2,435,515	4,167,897	22,013,083	5,291,182	19,531,946	32,089,275	
2,189	119,302	343,478	19,023,787	4,950,231	12,355,304	12,773,957	
377,458	303,531	-	-	-	42,822,684	86,807,581	
<b>\$ 379,647</b>	<b>\$ 422,833</b>	<b>\$ 343,478</b>	<b>\$ 19,023,787</b>	<b>\$ 4,950,231</b>	<b>\$ 55,177,988</b>	<b>\$ 99,581,538</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Major Governmental Funds Capital Projects Funds - River West TIF Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 13,400,000	\$ 16,433,274	\$ 16,293,240	\$ (140,034)
Other	1,475,000	3,669,298	3,620,344	(48,954)
Total revenues	<u>14,875,000</u>	<u>20,102,572</u>	<u>19,913,584</u>	<u>(188,988)</u>
Expenditures:				
Current:				
Economic Development:				
Other services and charges	2,984,612	13,338,585	10,774,722	2,563,863
Capital outlay	<u>15,864,602</u>	<u>34,372,012</u>	<u>24,534,425</u>	<u>9,837,587</u>
Total expenditures	<u>18,849,214</u>	<u>47,710,597</u>	<u>35,309,147</u>	<u>12,401,450</u>
Other financing sources - Transfers in	<u>5,000</u>	<u>4,993,040</u>	<u>4,989,785</u>	<u>(3,255)</u>
Net change in fund balances	(3,969,214)	(22,614,985)	(10,405,778)	12,209,207
Fund balances - Beginning	<u>31,411,026</u>	<u>31,411,026</u>	<u>31,411,026</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 27,441,812</b></u>	<u><b>\$ 8,796,041</b></u>	<u><b>\$ 21,005,248</b></u>	<u><b>\$ 12,209,207</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (10,405,778)	
To adjust revenues for accruals			924,951	
To adjust expenditures for accruals			(1,943,310)	
To adjust expenditures for encumbrances			<u>11,802,075</u>	
Net change in fund balance, GAAP basis			<u><u>\$ 377,938</u></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Motor Vehicle Highway Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 5,697,000	\$ 5,697,000	\$ 5,814,812	\$ 117,812
Charges for services	190,000	190,000	255,529	65,529
Other	91,300	150,800	122,609	(28,191)
<b>Total revenues</b>	<b>5,978,300</b>	<b>6,037,800</b>	<b>6,192,950</b>	<b>155,150</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Highways and streets:				
Personnel services	4,314,548	4,314,548	3,665,648	648,900
Supplies	2,014,593	2,789,854	2,456,731	333,123
Other services and charges	3,252,159	3,301,526	3,063,165	238,361
Capital outlay	100,000	79,458	78,916	542
<b>Total expenditures</b>	<b>9,681,300</b>	<b>10,485,386</b>	<b>9,264,460</b>	<b>1,220,926</b>
Other financing sources - Transfers in	2,953,000	3,703,000	3,703,000	-
<b>Net change in fund balances</b>	<b>(750,000)</b>	<b>(744,586)</b>	<b>631,490</b>	<b>1,376,076</b>
Fund balances - Beginning	3,897,479	3,897,479	3,897,479	-
<b>Fund balances - Ending</b>	<b>\$ 3,147,479</b>	<b>\$ 3,152,893</b>	<b>\$ 4,528,969</b>	<b>\$ 1,376,076</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 631,490	
To adjust revenues for accruals			679,107	
To adjust expenditures for accruals			(256,862)	
To adjust expenditures for encumbrances			633,516	
<b>Net change in fund balance, GAAP basis</b>			<b>\$ 1,687,251</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Recreation Nonreverting Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,530,935	\$ 923,935	\$ 944,718	\$ 20,783
Other	48,000	48,000	63,420	15,420
Total revenues	<u>1,578,935</u>	<u>971,935</u>	<u>1,008,138</u>	<u>36,203</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation:				
Personnel services	737,842	737,842	506,540	231,302
Supplies	277,645	312,970	243,646	69,324
Other services and charges	520,775	495,107	258,156	236,951
Total expenditures	<u>1,536,262</u>	<u>1,545,919</u>	<u>1,008,342</u>	<u>537,577</u>
Other financing sources (uses) - Transfers out	-	(3,550)	(3,550)	-
Net change in fund balances	42,673	(577,534)	(3,754)	573,780
Fund balances - Beginning	<u>815,052</u>	<u>815,052</u>	<u>815,052</u>	-
Fund balances - Ending	<u><b>\$ 857,725</b></u>	<u><b>\$ 237,518</b></u>	<u><b>\$ 811,298</b></u>	<u><b>\$ 573,780</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (3,754)	
To adjust revenues for accruals			(10,825)	
To adjust expenditures for accruals			10,859	
To adjust expenditures for encumbrances			11,551	
Net change in fund balance, GAAP basis			<u>\$ 7,831</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Studebaker Oliver Revitalization Grants Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 574,000	\$ 136,000	\$ 134,906	\$ (1,094)
Expenditures:				
Current:				
Economic Development				
Other Services and Charges	570,000	630,000	597,420	32,580
Capital Outlay	-	-	-	-
Total expenditures	570,000	630,000	597,420	32,580
Net change in fund balances	4,000	(494,000)	(462,514)	31,486
Fund balances - Beginning	1,087,092	1,087,092	1,087,092	-
Fund balances - Ending	<b>\$ 1,091,092</b>	<b>\$ 593,092</b>	<b>\$ 624,578</b>	<b>\$ 31,486</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (462,514)	
To adjust revenues for accruals			27	
To adjust expenditures for accruals			(23,406)	
To adjust expenditures for encumbrances			483,250	
Net change in fund balance, GAAP basis			<b>\$ (2,643)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Economic Development State Grants Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,673,510	\$ 1,031,290	\$ 1,013,085	\$ (18,205)
Expenditures:				
Current:				
Economic Development				
Other services and charges	1,672,012	1,694,412	1,045,647	648,765
Capital Outlay	-	2,000,000	2,000,000	-
Total expenditures	1,672,012	3,694,412	3,045,647	648,765
Net change in fund balances	1,498	(2,663,122)	(2,032,562)	630,560
Fund balances - Beginning	329,623	329,623	329,623	-
Fund balances - Ending	<u>\$ 331,121</u>	<u>\$ (2,333,499)</u>	<u>\$ (1,702,939)</u>	<u>\$ 630,560</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,032,562)	
To adjust revenues for accruals			1,589,121	
To adjust expenditures for accruals			(1,450,292)	
To adjust expenditures for encumbrances			1,863,486	
Net change in fund balance, GAAP basis			<u>\$ (30,247)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - DCI Operating Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 416,787	\$ 416,787	\$ 257,933	\$ (158,854)
Other	247,200	267,000	267,769	769
Total revenues	<u>663,987</u>	<u>683,787</u>	<u>525,702</u>	<u>(158,085)</u>
<b>Expenditures:</b>				
Current:				
Economic Development:				
Personnel services	2,110,075	2,120,943	1,979,898	141,045
Supplies	26,298	35,753	26,750	9,003
Other services and charges	495,251	505,034	478,232	26,802
Total expenditures	<u>2,631,624</u>	<u>2,661,730</u>	<u>2,484,880</u>	<u>176,850</u>
Other financing sources - Transfers in	<u>1,967,638</u>	<u>1,967,638</u>	<u>1,967,638</u>	<u>-</u>
Net change in fund balances	1	(10,305)	8,460	18,765
Fund balances - Beginning	<u>1,074,839</u>	<u>1,074,839</u>	<u>1,074,839</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 1,074,840</b></u>	<u><b>\$ 1,064,534</b></u>	<u><b>\$ 1,083,299</b></u>	<u><b>\$ 18,765</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 8,460	
To adjust revenues for accruals			23,755	
To adjust expenditures for accruals			54,387	
To adjust expenditures for encumbrances			<u>39,612</u>	
Net change in fund balance, GAAP basis			<u>\$ 126,214</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Community Investment Grants Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,850,000	\$ 2,514,035	\$ 2,338,715	\$ (175,320)
Other	250,000	513,000	336,269	(176,731)
Total revenues	<u>4,100,000</u>	<u>3,027,035</u>	<u>2,674,984</u>	<u>(352,051)</u>
Expenditures:				
Current:				
Economic development -				
Other services and charges	<u>4,100,000</u>	<u>6,547,968</u>	<u>6,469,490</u>	<u>78,478</u>
Net change in fund balances	-	(3,520,933)	(3,794,506)	(273,573)
Fund balances - Beginning	<u>791,640</u>	<u>791,640</u>	<u>791,640</u>	<u>-</u>
Fund balances - Ending	<u>\$ 791,640</u>	<u>\$ (2,729,293)</u>	<u>\$ (3,002,866)</u>	<u>\$ (273,573)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,794,506)	
To adjust revenues for accruals			(22,724)	
To adjust expenditures for accruals			(216,128)	
To adjust expenditures for encumbrances			<u>3,556,962</u>	
Net change in fund balance, GAAP basis			<u>\$ (476,396)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police State Seizure Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 35,900	\$ 36,050	\$ 15,422	\$ (20,628)
Expenditures:				
Current:				
Public Safety:				
Other services and charges	35,900	35,900	3,116	32,784
Net change in fund balances	-	150	12,306	12,156
Fund balances - Beginning	187,540	187,540	187,540	-
Fund balances - Ending	<b>\$ 187,540</b>	<b>\$ 187,690</b>	<b>\$ 199,846</b>	<b>\$ 12,156</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 12,306	
To adjust revenues for accruals			15,089	
Net change in fund balance, GAAP basis			<u>\$ 27,395</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Juvenile Positive Assistance Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and fees	\$ 1,000	\$ 1,000	\$ 163	\$ (837)
Other	25	25	69	44
Total revenues	1,025	1,025	232	(793)
Expenditures:				
Current:				
Public safety - Other services and charges	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balances	25	25	232	207
Fund balances - Beginning	12,013	12,013	12,013	-
Fund balances - Ending	<b>\$ 12,038</b>	<b>\$ 12,038</b>	<b>\$ 12,245</b>	<b>\$ 207</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 232	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<b>\$ 232</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Law Enforcement Continuing Education Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 50,000	\$ 49,119	\$ (881)
Charges for services	100,000	100,000	124,443	24,443
Fines and fees	80,000	82,000	93,510	11,510
Other	31,000	38,000	23,244	(14,756)
<b>Total revenues</b>	<b>211,000</b>	<b>270,000</b>	<b>290,316</b>	<b>20,316</b>
<b>Expenditures:</b>				
Current:				
Public safety:				
Supplies	115,980	172,478	154,126	18,352
Other services and charges	190,000	230,000	217,214	12,786
Capital outlay	50,000	-	-	-
<b>Total expenditures</b>	<b>355,980</b>	<b>402,478</b>	<b>371,340</b>	<b>31,138</b>
<b>Net change in fund balances</b>	<b>(144,980)</b>	<b>(132,478)</b>	<b>(81,024)</b>	<b>51,454</b>
Fund balances - Beginning	961,837	961,837	961,837	-
<b>Fund balances - Ending</b>	<b>\$ 816,857</b>	<b>\$ 829,359</b>	<b>\$ 880,813</b>	<b>\$ 51,454</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (81,024)	
To adjust revenues for accruals			(11,275)	
To adjust expenditures for accruals			14,797	
To adjust expenditures for encumbrances			10,008	
<b>Net change in fund balance, GAAP basis</b>			<b>\$ (67,494)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Loss Recovery Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 4,200	\$ 60,500	\$ 54,051	\$ (6,449)
Expenditures:				
Current:				
General government:				
Supplies	-	74,690	72,461	2,229
Other services and charges	1,050,000	3,273,445	3,093,436	180,009
Capital outlay	-	1,889,108	1,889,108	-
Total expenditures	1,050,000	5,237,243	5,055,005	182,238
Net change in fund balances	(1,045,800)	(5,176,743)	(5,000,954)	175,789
Fund balances - Beginning	5,867,278	5,867,278	5,867,278	-
Fund balances - Ending	<b>\$ 4,821,478</b>	<b>\$ 690,535</b>	<b>\$ 866,324</b>	<b>\$ 175,789</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,000,954)	
To adjust revenues for accruals			(193)	
To adjust expenditures for accruals			239,387	
To adjust expenditures for encumbrances			130,311	
Net change in fund balance, GAAP basis			<b>\$ (4,631,449)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Emergency Telephone System Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	20	19	(1)
Total revenues	-	20	19	(1)
Net change in fund balances	-	20	19	(1)
Fund balances - Beginning	33,671	33,671	33,671	-
Fund balances - Ending	<u>\$ 33,671</u>	<u>\$ 33,691</u>	<u>\$ 33,690</u>	<u>\$ (1)</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 19	
To adjust revenues for accruals			<u>13,769</u>	
Net change in fund balance, GAAP basis			<u>\$ 13,788</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Local Road and Street Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 1,046,000	\$ 1,045,516	\$ (484)
Other	593,300	464,300	461,539	(2,761)
Total revenues	<u>1,593,300</u>	<u>1,510,300</u>	<u>1,507,055</u>	<u>(3,245)</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	380,000	380,229	377,372	2,857
Other services and charges	157,500	245,000	230,369	14,631
Capital outlay	1,055,000	1,798,492	1,628,332	170,160
Total expenditures	<u>1,592,500</u>	<u>2,423,721</u>	<u>2,236,073</u>	<u>187,648</u>
Net change in fund balances	800	(913,421)	(729,018)	184,403
Fund balances - Beginning	<u>2,445,859</u>	<u>2,445,859</u>	<u>2,445,859</u>	-
Fund balances - Ending	<u><b>\$ 2,446,659</b></u>	<u><b>\$ 1,532,438</b></u>	<u><b>\$ 1,716,841</b></u>	<u><b>\$ 184,403</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (729,018)	
To adjust revenues for accruals			241,468	
To adjust expenditures for accruals			(102,364)	
To adjust expenditures for encumbrances			<u>1,011,945</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 422,031</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Excess Welfare Distribution Year Ended December 31, 2015

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

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Human Rights Federal Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 187,000	\$ 189,000	\$ 77,117	\$ (111,883)
Other	16,400	20,950	26,588	5,638
Total revenues	<u>203,400</u>	<u>209,950</u>	<u>103,705</u>	<u>(106,245)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personnel services	123,657	123,657	118,886	4,771
Supplies	2,800	2,800	1,818	982
Other services and charges	120,900	122,600	87,858	34,742
Total expenditures	<u>247,357</u>	<u>249,057</u>	<u>208,562</u>	<u>40,495</u>
Net change in fund balances	(43,957)	(39,107)	(104,857)	(65,750)
Fund balances - Beginning	<u>530,516</u>	<u>530,516</u>	<u>530,516</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 486,559</b></u>	<u><b>\$ 491,409</b></u>	<u><b>\$ 425,659</b></u>	<u><b>\$ (65,750)</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (104,857)	
To adjust revenues for accruals			69,339	
To adjust expenditures for accruals			<u>13,768</u>	
Net change in fund balance, GAAP basis			<u><u>\$ (21,750)</u></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - East Race Waterway Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 50	\$ 21	\$ (29)
Expenditures:				
Current - Culture and recreation - Supplies	4,000	4,000	3,998	2
Total expenditures	4,000	4,000	3,998	2
Net change in fund balances	(4,000)	(3,950)	(3,977)	(27)
Fund balances - Beginning	5,315	5,315	5,315	-
Fund balances - Ending	<u>\$ 1,315</u>	<u>\$ 1,365</u>	<u>\$ 1,338</u>	<u>\$ (27)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,977)	
To adjust revenues for accruals			(1)	
Net change in fund balance, GAAP basis			<u>\$ (3,978)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Morris and Palais Marketing Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 18,000	\$ 18,000	\$ 11,179	\$ (6,821)
Expenditures:				
Current - Culture and recreation -				
Other services and charges	18,000	18,974	8,419	10,555
Net change in fund balances	-	(974)	2,760	3,734
Fund balances - Beginning	26,729	26,729	26,729	-
Fund balances - Ending	<u>\$ 26,729</u>	<u>\$ 25,755</u>	<u>\$ 29,489</u>	<u>\$ 3,734</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,760	
To adjust revenue for accruals			2	
To adjust expenditures for accruals			200	
To adjust expenditures for encumbrances			877	
Net change in fund balance, GAAP basis			<u>\$ 3,839</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police Block Grants Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 125	\$ 22	\$ (103)
Net change in fund balances	-	125	22	(103)
Fund balances - Beginning	3,830	3,830	3,830	-
Fund balances - Ending	<u>\$ 3,830</u>	<u>\$ 3,955</u>	<u>\$ 3,852</u>	<u>\$ (103)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 22	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ 22</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Economic Development Commission Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 300	\$ 157	\$ (143)
Net change in fund balances	-	300	157	(143)
Fund balances - Beginning	27,220	27,220	27,220	-
Fund balances - Ending	<u>\$ 27,220</u>	<u>\$ 27,520</u>	<u>\$ 27,377</u>	<u>\$ (143)</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 157	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 158</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Hazmat Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 14,000	\$ 13,787	\$ (213)
Other	-	100	189	89
Total revenues	<u>10,000</u>	<u>14,100</u>	<u>13,976</u>	<u>(124)</u>
Expenditures:				
Current:				
Public safety - Supplies	<u>10,000</u>	<u>31,530</u>	<u>21,542</u>	<u>9,988</u>
Net change in fund balances	-	(17,430)	(7,566)	9,864
Fund balances - Beginning	<u>39,651</u>	<u>39,651</u>	<u>39,651</u>	-
Fund balances - Ending	<u>\$ 39,651</u>	<u>\$ 22,221</u>	<u>\$ 32,085</u>	<u>\$ 9,864</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (7,566)	
To adjust revenues for accruals			(13,787)	
To adjust expenditures for accruals			<u>20,939</u>	
Net change in fund balance, GAAP basis			<u>\$ (414)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Indiana River Rescue Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 45,000	\$ 45,000	\$ 53,950	\$ 8,950
Intergovernmental	-	-	-	-
Other	200	350	493	143
Total revenues	45,200	45,350	54,443	9,093
<b>Expenditures:</b>				
Current:				
Public safety:				
Personnel services	7,500	7,500	3,512	3,988
Supplies	8,800	8,800	2,259	6,541
Other services and charges	79,500	79,500	37,631	41,869
Capital outlay	25,000	25,000	20,997	4,003
Total expenditures	120,800	120,800	64,399	56,401
Net change in fund balances	(75,600)	(75,450)	(9,956)	65,494
Fund balances - Beginning	105,460	105,460	105,460	-
Fund balances - Ending	<b>\$ 29,860</b>	<b>\$ 30,010</b>	<b>\$ 95,504</b>	<b>\$ 65,494</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (9,956)	
To adjust revenues for accruals			1	
To adjust expenditures for accruals			(194)	
Net change in fund balance, GAAP basis			<b>\$ (10,149)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Cops Block Grant II Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ 90,000	\$ 90,000	\$ 56,946	\$ (33,054)
Expenditures:				
Current:				
Public safety:				
Other services and charges	-	89,959	72,346	17,613
Supplies	-	15,186	14,186	1,000
Capital outlay	90,000	-	-	-
Total expenditures	90,000	105,145	86,532	18,613
Net change in fund balances	-	(15,145)	(29,586)	(14,441)
Fund balances - Beginning	95,464	95,464	95,464	-
Fund balances - Ending	<b>\$ 95,464</b>	<b>\$ 80,319</b>	<b>\$ 65,878</b>	<b>\$ (14,441)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (29,586)	
To adjust expenditures for accruals			8,585	
To adjust expenditures for encumbrances			55,373	
Net change in fund balance, GAAP basis			<b>\$ 34,372</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Regional Police Academy Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,500	\$ 22,638	\$ 2,138
Other	2,000	2,200	389	(1,811)
Total revenues	<u>22,000</u>	<u>22,700</u>	<u>23,027</u>	<u>327</u>
Expenditures:				
Current:				
Public safety:				
Supplies	1,750	1,750	1,295	455
Other services and charges	22,000	22,000	19,796	2,204
Total expenditures	<u>23,750</u>	<u>23,750</u>	<u>21,091</u>	<u>2,659</u>
Net change in fund balances	(1,750)	(1,050)	1,936	2,986
Fund balances - Beginning	<u>68,322</u>	<u>68,322</u>	<u>68,322</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 66,572</b></u>	<u><b>\$ 67,272</b></u>	<u><b>\$ 70,258</b></u>	<u><b>\$ 2,986</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 1,936	
To adjust revenues for accruals			1,952	
To adjust expenditures for accruals			<u>2,474</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 6,362</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - COPS MORE Grant Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 86,658	\$ 208,658	\$ 34,019	\$ (174,639)
Other	41,600.00	41,600	20,510	(21,090)
<b>Total Revenues</b>	<b>128,258.00</b>	<b>250,258</b>	<b>54,529</b>	<b>(195,729)</b>
<b>Expenditures:</b>				
Current:				
Public safety:				
Supplies	15,000	45,735	44,510	1,225
Other services and charges	66,000	66,000	25,906	40,094
Capital outlay	60,600	60,600	-	60,600
<b>Total expenditures</b>	<b>141,600</b>	<b>172,335</b>	<b>70,416</b>	<b>101,919</b>
Other Financing (uses)				
Transfers IN	-	22,000	20,965	\$ (1,035)
<b>Net change in fund balances</b>	<b>(13,342)</b>	<b>99,923</b>	<b>5,078</b>	<b>(94,845)</b>
Fund balances - Beginning	106,295	106,295	106,295	-
<b>Fund balances - Ending</b>	<b>\$ 92,953</b>	<b>\$ 206,218</b>	<b>\$ 111,373</b>	<b>\$ (94,845)</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 5,078	
To adjust revenues for accruals			7,502	
To adjust expenditures for accruals			20,143	
To adjust expenditures for encumbrances			10,245	
<b>Net change in fund balance, GAAP basis</b>			<b>\$ 42,968</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Federal Drug Enforcement Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 66,449	\$ (8,551)
Other	2,000	2,000	4,839	2,839
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>71,288</u>	<u>(5,712)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	45,000	84,759	67,791	16,968
Other services and charges	90,000	34,201	23,541	10,660
Capital outlay	90,000	130,000	79,711	50,289
Total expenditures	<u>225,000</u>	<u>248,960</u>	<u>171,043</u>	<u>77,917</u>
Net change in fund balances	(148,000)	(171,960)	(99,755)	72,205
Fund balances - Beginning	<u>345,543</u>	<u>345,543</u>	<u>345,543</u>	<u>-</u>
Fund balances - Ending	<u>\$ 197,543</u>	<u>\$ 173,583</u>	<u>\$ 245,788</u>	<u>\$ 72,205</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (99,755)	
To adjust revenues for accruals			(1,724)	
To adjust expenditures for accruals			18,385	
To adjust expenditures for encumbrances			<u>6,965</u>	
Net change in fund balance, GAAP basis			<u>\$ (76,129)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Gift Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 216,100	\$ 8,800	\$ 9,378	\$ 578
Expenditures:				
Supplies	-	1,552	1,349	203
Other services and charges	216,000	297,094	81,093	216,001
Capital Outlay	-	15,000	-	15,000
Total expenditures	216,000	313,646	82,442	231,204
Net change in fund balances	100	(304,846)	(73,064)	231,782
Fund balances - Beginning	138,018	138,018	138,018	-
Fund balances - Ending	<b>\$ 138,118</b>	<b>\$ (166,828)</b>	<b>\$ 64,954</b>	<b>\$ 231,782</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (73,064)	
To adjust revenues for accruals			(2)	
To adjust expenditures for accruals			32,725	
Net change in fund balance, GAAP basis			<u>\$ (40,341)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Urban Development Action Grant Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 438,313	\$ 1,040,686	\$ 1,040,937	\$ 251
Expenditures:				
Current:				
Economic Development				
Other services and charges	438,203	438,203	438,203	-
Net change in fund balances	110	602,483	602,734	251
Fund balances - Beginning	27,681	27,681	27,681	-
Fund balances - Ending	<u>\$ 27,791</u>	<u>\$ 630,164</u>	<u>\$ 630,415</u>	<u>\$ 251</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 602,734	
To adjust revenues for accruals			(1,029,393)	
To adjust expenditures for accruals			438,203	
Net change in fund balance, GAAP basis			<u>\$ 11,544</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Leaf Collection and Removal Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 429,000	\$ 429,000	\$ 438,225	\$ 9,225
Other	2,700	2,700	6,133	3,433
Total revenues	431,700	431,700	444,358	12,658
<b>Expenditures:</b>				
Current:				
General government:				
Personnel services	64,081	64,081	38,899	25,182
Supplies	6,000	900	847	53
Other services and charges	102,277	107,379	107,377	2
Other uses	6,000	5,998	5,765	233
Total expenditures	178,358	178,358	152,888	25,470
Other financing uses -				
Transfers out	(350,000)	(350,000)	(350,000)	-
Net change in fund balances	(96,658)	(96,658)	(58,530)	38,128
Fund balances - Beginning	980,362	980,362	980,362	-
Fund balances - Ending	<b>\$ 883,704</b>	<b>\$ 883,704</b>	<b>\$ 921,832</b>	<b>\$ 38,128</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (58,530)	
To adjust revenues for accruals			14	
To adjust expenditures for accruals			1,390	
Net change in fund balance, GAAP basis			<b>\$ (57,126)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Police K-9 Unit Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,000	\$ 2,000	\$ 1,520	\$ (480)
Expenditures:				
Current - Public safety - Other services and charges	2,000	2,000	970	1,030
Net change in fund balances	-	-	550	550
Fund balances - Beginning	3,321	3,321	3,321	-
Fund balances - Ending	<u>\$ 3,321</u>	<u>\$ 3,321</u>	<u>\$ 3,871</u>	<u>\$ 550</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 550	
To adjust expenditures for accruals			(501)	
Net change in fund balance, GAAP basis			<u>\$ 49</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Rainy Day Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 34,680	\$ 61,280	\$ 49,919	\$ (11,361)
Net change in fund balances	34,680	61,280	49,919	(11,361)
Fund balances - Beginning	8,647,178	8,647,178	8,647,178	-
Fund balances - Ending	<b>\$ 8,681,858</b>	<b>\$ 8,708,458</b>	<b>\$ 8,697,097</b>	<b>\$ (11,361)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 49,919	
To adjust revenues for accruals			<u>212</u>	
Net change in fund balance, GAAP basis			<u>\$ 50,131</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Excess Levy Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 20	\$ 18	\$ (2)
Net change in fund balances	-	20	18	(2)
Fund balances - Beginning	3,648	3,648	3,648	-
Fund balances - Ending	<u>\$ 3,648</u>	<u>\$ 3,668</u>	<u>\$ 3,666</u>	<u>\$ (2)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 18	
To adjust revenues for accruals			<u>(1)</u>	
Net change in fund balance, GAAP basis			<u>\$ 17</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - College Football Hall of Fame Debt Service Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,177,620	\$ 906,264	\$ 906,263	\$ (1)
Intergovernmental	96,436	294,846	294,772	(74)
Other	-	50	41	(9)
Total revenues	<u>1,274,056</u>	<u>1,201,160</u>	<u>1,201,076</u>	<u>(84)</u>
Expenditures:				
Debt service:				
Principal	1,150,000	1,150,000	1,150,000	-
Interest and fiscal agent fees	<u>116,820</u>	<u>122,000</u>	<u>122,000</u>	<u>-</u>
Total expenditures	<u>1,266,820</u>	<u>1,272,000</u>	<u>1,272,000</u>	<u>-</u>
Net change in fund balances	7,236	(70,840)	(70,924)	(84)
Fund balances - Beginning	<u>74,164</u>	<u>74,164</u>	<u>74,164</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 81,400</b></u>	<u><b>\$ 3,324</b></u>	<u><b>\$ 3,240</b></u>	<u><b>\$ (84)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (70,924)	
To adjust revenues for accruals			(461)	
To adjust expenditures for accruals			<u>5,168</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (66,217)</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Redevelopment Bond - Airport Taxable Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 5,000	\$ 7,400	\$ 5,989	\$ (1,411)
Other financing uses - Transfers out	(5,000)	(5,000)	(6,740)	(1,740)
Net change in fund balances	-	2,400	(751)	(3,151)
Fund balances - Beginning	1,038,904	1,038,904	1,038,904	-
Fund balances - Ending	<u>\$ 1,038,904</u>	<u>\$ 1,041,304</u>	<u>\$ 1,038,153</u>	<u>\$ (3,151)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (751)	
To adjust revenues for accruals			<u>24</u>	
Net change in fund balance, GAAP basis			<u>\$ (727)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Coveleski Bond Debt Service Reserve Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,800	\$ 3,800	\$ 2,916	\$ (884)
Net change in fund balances	1,800	3,800	2,916	(884)
Fund balances - Beginning	505,194	505,194	505,194	-
Fund balances - Ending	<u>\$ 506,994</u>	<u>\$ 508,994</u>	<u>\$ 508,110</u>	<u>\$ (884)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,916	
To adjust revenues for accruals			<u>12</u>	
Net change in fund balance, GAAP basis			<u>\$ 2,928</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Redevelopment Bond - Palais Royale Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 6,000	\$ 13,000	\$ 10,007	\$ (2,993)
Other financing uses - Transfers out	(6,000)	(6,000)	(11,262)	(5,262)
Net change in fund balances	-	7,000	(1,255)	(8,255)
Fund balances - Beginning	1,735,840	1,735,840	1,735,840	-
Fund balances - Ending	<u>\$ 1,735,840</u>	<u>\$ 1,742,840</u>	<u>\$ 1,734,585</u>	<u>\$ (8,255)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,255)	
To adjust revenues for accruals			<u>43</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,212)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Century Center Energy Conservation Debt Service Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 40	\$ 32	\$ (8)
Other financing sources - Transfers in	-	50,000	50,000	-
Net change in fund balances	-	50,040	50,032	(8)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ 50,040</u>	<u>\$ 50,032</u>	<u>\$ (8)</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 50,032	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ 50,032</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Professional Sports Development Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 610,000	\$ 747,750	\$ 628,261	\$ (119,489)
Other	61,761	66,261	58,624	(7,637)
Total revenues	<u>671,761</u>	<u>814,011</u>	<u>686,885</u>	<u>(127,126)</u>
<b>Expenditures:</b>				
Culture and recreation:				
Other services and charges	754,803	755,603	755,603	-
Other uses	100,000	100,000	100,000	-
Total expenditures	<u>854,803</u>	<u>855,603</u>	<u>855,603</u>	<u>-</u>
Net change in fund balances	(183,042)	(41,592)	(168,718)	(127,126)
Fund balances - Beginning	<u>596,436</u>	<u>596,436</u>	<u>596,436</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 413,394</b></u>	<u><b>\$ 554,844</b></u>	<u><b>\$ 427,718</b></u>	<u><b>\$ (127,126)</b></u>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (168,718)	
To adjust revenues for accruals			<u>(2,067)</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (170,785)</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Coveleski Stadium Capital Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 15,100	\$ 42,100	\$ 42,103	\$ 3
Net change in fund balances	15,100	42,100	42,103	3
Fund balances - Beginning	40,474	40,474	40,474	-
Fund balances - Ending	<b>\$ 55,574</b>	<b>\$ 82,574</b>	<b>\$ 82,577</b>	<b>\$ 3</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 42,103	
To adjust revenues for accruals			4	
To adjust expenditures for accruals			(22,000)	
Net change in fund balance, GAAP basis			<u>\$ 20,107</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Zoo Endowment Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 200	\$ 200	\$ 284	\$ 84
Expenditures:				
Capital	49,000	49,000	-	49,000
Net change in fund balances	(48,800)	(48,800)	284	49,084
Fund balances - Beginning	49,190	49,190	49,190	-
Fund balances - Ending	<u>\$ 390</u>	<u>\$ 390</u>	<u>\$ 49,474</u>	<u>\$ 49,084</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ 284	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 285</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Park Nonreverting Capital Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 34,000	\$ 34,000	\$ 7,613	\$ (26,387)
Other	14,200	14,200	6,758	(7,442)
Total revenues	<u>48,200</u>	<u>48,200</u>	<u>14,371</u>	<u>(33,829)</u>
<b>Expenditures:</b>				
Culture and recreation:				
Supplies	58,000	67,073	33,714	33,359
Other services and charges	50,000	21,860	20,932	928
Capital outlay	75,000	104,000	22,499	81,501
Total expenditures	<u>183,000</u>	<u>192,933</u>	<u>77,145</u>	<u>115,788</u>
Other financing sources - Transfers in	<u>95,500</u>	<u>95,500</u>	-	(95,500)
Net change in fund balances	(39,300)	(49,233)	(62,774)	(13,541)
Fund balances - Beginning	<u>521,465</u>	<u>521,465</u>	<u>521,465</u>	-
Fund balances - Ending	<u><b>\$ 482,165</b></u>	<u><b>\$ 472,232</b></u>	<u><b>\$ 458,691</b></u>	<u><b>\$ (13,541)</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (62,774)	
To adjust revenues for accruals			(3,991)	
To adjust expenditures for encumbrances			<u>11,333</u>	
Net change in fund balance, GAAP basis			<u>\$ (55,432)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Cumulative Capital Development Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes - Property	\$ 450,000	\$ 428,730	\$ 428,727	\$ (3)
Intergovernmental	90,191	90,339	90,339	-
Other	2,500	2,500	2,307	(193)
<b>Total revenues</b>	<b>542,691</b>	<b>521,569</b>	<b>521,373</b>	<b>(196)</b>
<b>Expenditures:</b>				
General government - Other services and charges	542,691	542,691	530,663	12,028
<b>Total expenditures</b>	<b>542,691</b>	<b>542,691</b>	<b>530,663</b>	<b>12,028</b>
Net change in fund balances	-	(21,122)	(9,290)	11,832
Fund balances - Beginning	581,586	581,586	581,586	-
<b>Fund balances - Ending</b>	<b>\$ 581,586</b>	<b>\$ 560,464</b>	<b>\$ 572,296</b>	<b>\$ 11,832</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (9,290)	
To adjust revenues for accruals			(406)	
Net change in fund balance, GAAP basis			<u>\$ (9,696)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Cumulative Capital Improvement Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 397,000	\$ 404,000	\$ 403,987	\$ (13)
Other	25,150	26,050	25,637	(413)
Total revenues	<u>422,150</u>	<u>430,050</u>	<u>429,624</u>	<u>(426)</u>
Expenditures - General government -				
Other services and charges	<u>365,625</u>	<u>367,875</u>	<u>367,875</u>	<u>-</u>
Net change in fund balances	56,525	62,175	61,749	(426)
Fund balances - Beginning	<u>249,627</u>	<u>249,627</u>	<u>249,627</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 306,152</b></u>	<u><b>\$ 311,802</b></u>	<u><b>\$ 311,376</b></u>	<u><b>\$ (426)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 61,749	
To adjust revenues for accruals			<u>8</u>	
Net change in fund balance, GAAP basis			<u>\$ 61,757</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Morris Performing Arts Center Capital Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 61,164	\$ (38,836)
Other	1,500	1,500	2,969	1,469
Total revenues	101,500	101,500	64,133	(37,367)
<b>Expenditures:</b>				
Culture and recreation:				
Supplies	20,000	35,210	35,025	185
Other services and charges	40,000	45,038	42,726	2,312
Total expenditures	60,000	80,248	77,751	2,497
Net change in fund balances	41,500	21,252	(13,618)	(34,870)
Fund balances - Beginning	515,718	515,718	515,718	-
Fund balances - Ending	<b>\$ 557,218</b>	<b>\$ 536,970</b>	<b>\$ 502,100</b>	<b>\$ (34,870)</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (13,618)	
To adjust revenues for accruals			12	
To adjust expenditures for accruals			(8,677)	
To adjust expenditures for encumbrances			14,923	
Net change in fund balance, GAAP basis			<b>\$ (7,360)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF Downtown Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,500,000	\$ -	\$ -	\$ -
Intergovernmental	489,500	-	-	-
Charges for Services	34,000	-	-	-
Other	314,702	-	-	-
Total revenues	<u>4,338,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Economic Development:				
Other services and charges	3,316,193	-	-	-
Capital outlay	1,028,009	-	-	-
Total expenditures	<u>4,344,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources - Transfers in	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources - Transfers out	<u>-</u>	<u>(4,088,473)</u>	<u>(4,088,473)</u>	<u>-</u>
Net change in fund balances	-	(4,088,473)	(4,088,473)	-
Fund balances - Beginning	<u>4,098,979</u>	<u>4,098,979</u>	<u>4,098,979</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 4,098,979</b></u>	<u><b>\$ 10,506</b></u>	<u><b>\$ 10,506</b></u>	<u><b>\$ -</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (4,088,473)	
To adjust expenditures for accruals			<u>(5,853,005)</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (9,941,478)</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF Leighton Plaza Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 189,123	\$ 210,215	\$ 166,751	\$ (43,464)
Expenditures:				
Economic Development:				
Supplies	8,250	8,250	7,390	860
Other services and charges	146,466	146,466	123,071	23,395
Capital outlay	-	-	-	-
Total expenditures	154,716	154,716	130,461	24,255
Net change in fund balances	34,407	55,499	36,290	(19,209)
Fund balances - Beginning	172,578	172,578	172,578	-
Fund balances - Ending	<u>\$ 206,985</u>	<u>\$ 228,077</u>	<u>\$ 208,868</u>	<u>\$ (19,209)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 36,290	
To adjust revenues for accruals			(5,684)	
To adjust expenditures for accruals			3,646	
Net change in fund balance, GAAP basis			<u>\$ 34,252</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - West Washington Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 420,000	\$ 420,000	\$ 402,911	\$ (17,089)
Other	2,000	9,800	6,942	(2,858)
Total revenues	<u>422,000</u>	<u>429,800</u>	<u>409,853</u>	<u>(19,947)</u>
Expenditures:				
Economic Development:				
Other services and charges	-	33,868	33,868	-
Capital outlay	<u>722,000</u>	<u>727,032</u>	<u>368,276</u>	<u>358,756</u>
Total expenditures	<u>722,000</u>	<u>760,900</u>	<u>402,144</u>	<u>358,756</u>
Net change in fund balances	(300,000)	(331,100)	7,709	338,809
Fund balances - Beginning	<u>1,196,440</u>	<u>1,196,440</u>	<u>1,196,440</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 896,440</b></u>	<u><b>\$ 865,340</b></u>	<u><b>\$ 1,204,149</b></u>	<u><b>\$ 338,809</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,709	
To adjust revenues for accruals			84,416	
To adjust expenditures for accruals			(3,366)	
To adjust expenditures for encumbrances			<u>303,366</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 392,125</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Redevelopment General Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 252	\$ 252	\$ 59	\$ (193)
Expenditures:				
Economic Development -				
Other services and charges	6,000	6,000	1,447	4,553
Net change in fund balances	(5,748)	(5,748)	(1,388)	4,360
Fund balances - Beginning	10,096	10,096	10,096	-
Fund balances - Ending	<b>\$ 4,348</b>	<b>\$ 4,348</b>	<b>\$ 8,708</b>	<b>\$ 4,360</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,388)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<b>\$ (1,388)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Community Revitalization Enhancement District Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 650,000	\$ -	\$ -	\$ -
Other	-	450	360	(90)
Total revenues	650,000	450	360	(90)
Expenditures:				
Economic Development - Other services and charges	650,000	650,000	7,794	642,206
Net change in fund balances	-	(649,550)	(7,434)	642,116
Fund balances - Beginning	9,838	9,838	9,838	-
Fund balances - Ending	\$ 9,838	\$ (639,712)	\$ 2,404	\$ 642,116
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (7,434)	
To adjust revenues for accruals			17	
To adjust expenditures for accruals			(105,000)	
Net change in fund balance, GAAP basis			\$ (112,417)	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF No. 1 - Southside Development Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,205,822	\$ (194,178)
Other	10,000	35,750	26,718	(9,032)
Total revenues	<u>2,410,000</u>	<u>2,435,750</u>	<u>2,232,540</u>	<u>(203,210)</u>
Expenditures:				
Economic Development:				
Other services and charges	-	714,085	682,708	31,377
Capital outlay	<u>1,620,000</u>	<u>2,128,450</u>	<u>1,723,559</u>	<u>404,891</u>
Total expenditures	<u>1,620,000</u>	<u>2,842,535</u>	<u>2,406,267</u>	<u>436,268</u>
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	790,000	(406,785)	(173,727)	233,058
Fund balances - Beginning	<u>4,960,153</u>	<u>4,960,153</u>	<u>4,960,153</u>	<u>-</u>
Fund balances - Ending	<u>\$ 5,750,153</u>	<u>\$ 4,553,368</u>	<u>\$ 4,786,426</u>	<u>\$ 233,058</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (173,727)	
To adjust revenues for accruals			173,650	
To adjust expenditures for accruals			331,971	
To adjust expenditures for encumbrances			<u>1,311,814</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,643,708</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF No. 3 - Southside Development Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 19,185	\$ 19,183	\$ (2)
Other	25,000	31,600	31,555	(45)
Total revenues	25,000	50,785	50,738	(47)
Expenditures:				
Economic Development -				
Other services and charges	489,380	691,380	690,104	1,276
Net change in fund balances	(464,380)	(640,595)	(639,366)	1,229
Fund balances - Beginning	6,506,286	6,506,286	6,506,286	-
Fund balances - Ending	<u>\$ 6,041,906</u>	<u>\$ 5,865,691</u>	<u>\$ 5,866,920</u>	<u>\$ 1,229</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (639,366)	
To adjust revenues for accruals			99	
Net change in fund balance, GAAP basis			<u>\$ (639,267)</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Central Medical Service Area Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 625,000	\$ -	\$ -	\$ -
Other	7,000	-	-	-
Total revenues	<u>632,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Economic Development:				
Other services and charges	-	-	-	-
Capital outlay	<u>1,610,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,610,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (uses):				
Transfers Out	<u>-</u>	<u>(2,294,533)</u>	<u>(2,294,533)</u>	<u>-</u>
Net change in fund balances	(978,908)	(2,294,533)	(2,294,533)	-
Fund balances - Beginning (restated)	<u>2,295,858</u>	<u>2,295,858</u>	<u>2,295,858</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 1,316,950</b></u>	<u><b>\$ 1,325</b></u>	<u><b>\$ 1,325</b></u>	<u><b>\$ -</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (2,294,533)	
To adjust expenditures for accruals			<u>78,883</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (2,215,650)</b></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Football Hall of Fame Capital Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,500	\$ 4,700	\$ 3,112	\$ (1,588)
Expenditures:				
Culture and Recreation:				
Supplies	15,000	15,000	-	15,000
Other services and charges	173,824	173,824	59,456	114,368
Total expenditures	188,824	188,824	59,456	129,368
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	(186,324)	(184,124)	(56,344)	127,780
Fund balances - Beginning	559,543	559,543	559,543	-
Fund balances - Ending	<b>\$ 373,219</b>	<b>\$ 375,419</b>	<b>\$ 503,199</b>	<b>\$ 127,780</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (56,344)	
To adjust revenues for accruals			66,649	
To adjust expenditures for accruals			(10,305)	
Net change in fund balance, GAAP basis			\$ -	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Major Moves Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 811,187	\$ 813,687	\$ 805,256	\$ (8,431)
Expenditures:				
Highways and streets - Capital outlay	1,330,000	3,096,061	3,084,962	11,099
Net change in fund balances	(518,813)	(2,282,374)	(2,279,706)	2,668
Fund balances - Beginning	3,643,765	3,643,765	3,643,765	-
Fund balances - Ending	<b>\$ 3,124,952</b>	<b>\$ 1,361,391</b>	<b>\$ 1,364,059</b>	<b>\$ 2,668</b>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (2,279,706)	
To adjust revenues for accruals			(555,814)	
To adjust expenditures for accruals			33,162	
To adjust expenditures for encumbrances			795,033	
Net change in fund balance, GAAP basis			<b>\$ (2,007,325)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - River East Development Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 820,000	\$ 2,421,310	\$ 2,421,308	\$ (2)
Other	7,000	56,357	54,153	(2,204)
Total revenues	<u>827,000</u>	<u>2,477,667</u>	<u>2,475,461</u>	<u>(2,206)</u>
Expenditures:				
Economic Development:				
Other services and charges	-	779,084	764,276	14,808
Capital outlay	<u>1,252,000</u>	<u>6,460,440</u>	<u>4,672,656</u>	<u>1,787,784</u>
Total expenditures	<u>1,252,000</u>	<u>7,239,524</u>	<u>5,436,932</u>	<u>1,802,592</u>
Other Financing Sources (uses):				
Transfers In	-	<u>1,430,966</u>	<u>1,430,965</u>	<u>(1)</u>
Net change in fund balances	(425,000)	(3,330,891)	(1,530,506)	1,800,385
Fund balances - Beginning	<u>4,559,110</u>	<u>4,559,110</u>	<u>4,559,110</u>	<u>-</u>
Fund balances - Ending	<u>\$ 4,134,110</u>	<u>\$ 1,228,219</u>	<u>\$ 3,028,604</u>	<u>\$ 1,800,385</u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (1,530,506)	
To adjust revenues for accruals			185,655	
To adjust expenditures for accruals			27,398	
To adjust expenditures for encumbrances			<u>4,535,158</u>	
Net change in fund balance, GAAP basis			<u>\$ 3,217,705</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - Douglas Road Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 320,000	\$ 320,000	\$ 270,758	\$ (49,242)
Other	750	1,010	664	(346)
Total revenues	<u>320,750</u>	<u>321,010</u>	<u>271,422</u>	<u>(49,588)</u>
Expenditures:				
Economic Development:				
Other services and charges	<u>341,189</u>	<u>345,389</u>	<u>345,387</u>	<u>2</u>
Total expenditures	<u>341,189</u>	<u>345,389</u>	<u>345,387</u>	<u>2</u>
Net change in fund balances	(20,439)	(24,379)	(73,965)	(49,586)
Fund balances - Beginning	<u>221,558</u>	<u>221,558</u>	<u>221,558</u>	<u>-</u>
Fund balances - Ending	<u><u>\$ 201,119</u></u>	<u><u>\$ 197,179</u></u>	<u><u>\$ 147,593</u></u>	<u><u>\$ (49,586)</u></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (73,965)	
To adjust revenues for accruals			40,739	
To adjust expenditures for accruals			251,157	
To adjust expenditures for encumbrances			<u>4,200</u>	
Net change in fund balance, GAAP basis			<u><u>\$ 222,131</u></u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - TIF - River East Residential Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,599,000	\$ 3,129,690	\$ 3,129,681	\$ (9)
Other	5,000	216,000	210,462	(5,538)
Total revenues	<u>2,604,000</u>	<u>3,345,690</u>	<u>3,340,143</u>	<u>(5,547)</u>
Expenditures:				
Economic Development:				
Other services and charges	<u>3,425,632</u>	<u>3,425,632</u>	<u>3,425,628</u>	<u>4</u>
Total expenditures	<u>3,425,632</u>	<u>3,425,632</u>	<u>3,425,628</u>	<u>4</u>
Net change in fund balances	(821,632)	(79,942)	(85,485)	(5,543)
Fund balances - Beginning	<u>1,706,488</u>	<u>1,706,488</u>	<u>1,706,488</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 884,856</b></u>	<u><b>\$ 1,626,546</b></u>	<u><b>\$ 1,621,003</b></u>	<u><b>\$ (5,543)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (85,485)	
To adjust revenues for accruals			(34)	
To adjust expenditures for accruals			<u>304,625</u>	
Net change in fund balance, GAAP basis			<u>\$ 219,106</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Certified Technology Park Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 4,404	\$ 82,239	\$ 73,581	\$ (8,658)
Expenditures -				
Economic Development - Capital outlay	1,549,000	5,000,000	2,963,748	2,036,252
Net change in fund balances	(1,544,596)	(4,917,761)	(2,890,167)	2,027,594
Fund balances - Beginning	5,023,459	5,023,459	5,023,459	-
Fund balances - Ending	<b>\$ 3,478,863</b>	<b>\$ 105,698</b>	<b>\$ 2,133,292</b>	<b>\$ 2,027,594</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (2,890,167)	
To adjust revenues for accruals			(61)	
To adjust expenditures for encumbrances			142,913	
Net change in fund balance, GAAP basis			<b>\$ (2,747,315)</b>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Palais Royale Historical Preservation Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 16,150	\$ 16,150	\$ 13,252	\$ (2,898)
Expenditures - Culture and Recreation - Other services and charges	16,150	16,150	-	16,150
Total expenditures	16,150	16,150	-	16,150
Net change in fund balances	-	-	13,252	13,252
Fund balances - Beginning	63,198	63,198	63,198	-
Fund balances - Ending	<u>\$ 63,198</u>	<u>\$ 63,198</u>	<u>\$ 76,450</u>	<u>\$ 13,252</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,252	
To adjust revenues for accruals			<u>2</u>	
Net change in fund balance, GAAP basis			<u>\$ 13,254</u>	

# City of South Bend, Indiana

## Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Airport Urban Enterprise Zone Year Ended December 31, 2015

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,500	\$ 2,800	\$ 2,180	\$ (620)
Net change in fund balances	1,500	2,800	2,180	(620)
Fund balances - Beginning	377,659	377,659	377,659	-
Fund balances - Ending	<u>\$ 379,159</u>	<u>\$ 380,459</u>	<u>\$ 379,839</u>	<u>\$ (620)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,180	
To adjust revenues for accruals			<u>9</u>	
Net change in fund balance, GAAP basis			<u>\$ 2,189</u>	

## **City of South Bend, Indiana**

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### **Other Supplementary Information Nonmajor Enterprise Funds Fund Descriptions**

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

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

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

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

**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.

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2015

	Consolidated			Blackthorn	Emergency	
	Building	Parking Garage	Solid Waste	Golf Course	Medical Services	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 423,618	\$ 129,756	\$ 64,784	\$ -	\$ 969,472	\$ 1,587,630
Investments	1,507,191	509,886	254,570	-	3,809,602	6,081,249
Receivables:						
Accounts	60,694	385	409,743	-	4,255,030	4,725,852
Interest	3,018	1,025	511	-	7,615	12,169
Due from other funds	1,170	-	-	-	-	1,170
Total current assets	1,995,691	641,052	729,608	-	9,041,719	12,408,070
Noncurrent assets:						
Restricted assets	-	-	695,616	-	692,283	1,387,899
Capital assets:						
Assets not subject to depreciation						
depreciation	27,400	1,132,020	-	-	-	1,159,420
Assets subject to depreciation	1,789,385	3,525,989	2,395,002	-	5,225,825	12,936,201
Total noncurrent assets	1,816,785	4,658,009	3,090,618	-	5,918,108	15,483,520
Total assets	3,812,476	5,299,061	3,820,226	-	14,959,827	27,891,590
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	51,649	105,712	114,672	-	36,625	308,658
Due to other governmental units	-	-	-	-	160,098	160,098
Due to other funds	10,085	-	-	-	658	10,743
Performance deposits payable	37,437	-	-	-	-	37,437
Accrued liabilities and other:						
Accrued payroll payable	28,346	-	22,339	-	52,756	103,441
Accrued interest payable	580	-	11,225	-	79,275	91,080
Compensated absences	110,908	-	38,364	-	-	149,272
Mortgage bonds payable	-	-	-	-	220,000	220,000
Capital leases	31,351	-	714,676	-	153,775	899,802
Total current liabilities	270,356	105,712	901,276	-	703,187	1,980,531
Noncurrent liabilities:						
Mortgage bonds payable	-	-	-	-	5,219,669	5,219,669
Capital leases	87,498	-	1,333,888	-	508,270	1,929,656
Total noncurrent liabilities	87,498	-	1,333,888	-	5,727,939	7,149,325
Total liabilities	357,854	105,712	2,235,164	-	6,431,126	9,129,856
<b>Deferred Inflows of Resources -</b>						
Unamortized gain on sale/leaseback	-	5,663	-	-	-	5,663
<b>Net Position</b>						
Net investment in capital assets	1,697,936	4,658,009	1,042,054	-	(295,967)	7,102,032
Restricted - Cash with fiscal agent	-	-	-	-	112,361	112,361
Unrestricted	1,756,686	529,677	543,008	-	8,712,307	11,541,678
Total net position	\$ 3,454,622	\$ 5,187,686	\$ 1,585,062	\$ -	\$ 8,528,701	\$ 18,756,071

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended December 31, 2015

	Consolidated		Solid Waste	Blackthorn	Emergency	Total
	Building	Parking Garage		Golf Course	Medical Services	
<b>Operating Revenue</b>						
Licenses and permits	\$ 1,839,150	\$ -	\$ -	\$ -	\$ -	\$ 1,839,150
Parking fees	-	968,397	-	-	-	968,397
Solid waste fees	-	-	4,859,903	-	-	4,859,903
Charges for sales and services	-	-	-	-	6,470,435	6,470,435
Golf course fees	-	-	-	109,949	-	109,949
Other	116,121	20	504,968	-	-	621,109
<b>Total operating revenue</b>	<b>1,955,271</b>	<b>968,417</b>	<b>5,364,871</b>	<b>109,949</b>	<b>6,470,435</b>	<b>14,868,943</b>
<b>Operating Expenses</b>						
Other operation and maintenance	3,306,901	-	4,375,524	165,977	5,730,078	13,578,480
Billing and administrative costs	55,944	1,361,426	372,850	-	-	1,790,220
Depreciation	153,457	216,068	466,163	-	451,579	1,287,267
<b>Total operating expenses</b>	<b>3,516,302</b>	<b>1,577,494</b>	<b>5,214,537</b>	<b>165,977</b>	<b>6,181,657</b>	<b>16,655,967</b>
<b>Operating (Loss) Gain</b>	<b>(1,561,031)</b>	<b>(609,077)</b>	<b>150,334</b>	<b>(56,028)</b>	<b>288,778</b>	<b>(1,787,024)</b>
<b>Nonoperating Revenue (Expenses)</b>						
Investment income	6,997	6,711	2,299	-	23,222	39,229
Interest expense	(1,509)	-	(29,435)	-	(363,369)	(394,313)
Gain (loss) on sale of assets	(34,536)	(1,341)	-	-	(51,180)	(87,057)
Other nonoperating revenue (expenses) - Charges	82,679	(560,347)	-	-	-	(477,668)
<b>Total nonoperating revenue (expense)</b>	<b>53,631</b>	<b>(554,977)</b>	<b>(27,136)</b>	<b>-</b>	<b>(391,327)</b>	<b>(919,809)</b>
<b>Loss - Before contributions</b>	<b>(1,507,400)</b>	<b>(1,164,054)</b>	<b>123,198</b>	<b>(56,028)</b>	<b>(102,549)</b>	<b>(2,706,833)</b>
<b>Special Item - Disposal of operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,180,964)</b>	<b>-</b>	<b>(1,180,964)</b>
<b>Transfers In</b>	<b>2,663,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,663,144</b>
<b>Transfers Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,744)</b>	<b>-</b>	<b>(19,744)</b>
<b>Change in Net Position</b>	<b>1,155,744</b>	<b>(1,164,054)</b>	<b>123,198</b>	<b>(1,256,736)</b>	<b>(102,549)</b>	<b>(1,244,397)</b>
<b>Net Position - Beginning of year</b>	<b>2,298,878</b>	<b>6,351,740</b>	<b>1,461,864</b>	<b>1,256,736</b>	<b>8,631,250</b>	<b>20,000,468</b>
<b>Net Position - End of year</b>	<b>\$ 3,454,622</b>	<b>\$ 5,187,686</b>	<b>\$ 1,585,062</b>	<b>\$ -</b>	<b>\$ 8,528,701</b>	<b>\$ 18,756,071</b>

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended December 31, 2015

	Consolidated			Blackthorn	Emergency	
	Building	Parking Garage	Solid Waste	Golf Course	Medical Services	Total
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 1,932,454	\$ 968,440	\$ 5,036,406	\$ 116,261	\$ 8,143,756	\$ 16,197,317
Receipts from interfund services and reimbursements	-	-	344,740	-	-	344,740
Payments to suppliers	(895,803)	(1,379,070)	(2,667,610)	(58,730)	(946,337)	(5,947,550)
Payments to employees	(2,029,391)	-	(1,656,167)	(101,323)	(4,740,168)	(8,527,049)
Internal activity - Payments to other funds	(219,767)	(29,091)	(522,932)	-	-	(771,790)
Net cash (used in) provided by operating activities	(1,212,507)	(439,721)	534,437	(43,792)	2,457,251	1,295,668
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	2,663,144	-	-	-	-	2,663,144
Transfers to other funds	-	-	-	(19,744)	-	(19,744)
Repayments of loans from other funds	-	-	-	(1,472,130)	-	(1,472,130)
Other nonoperating revenue	82,679	-	-	-	-	82,679
Net cash provided by (used in) noncapital financing activities	2,745,823	-	-	(1,491,874)	-	1,253,949
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from capital debt issued for future capital purchase	-	-	695,616	-	692,283	1,387,899
Proceeds from sales of capital assets	-	-	-	1,709,703	-	1,709,703
Purchase of capital assets	(318,754)	-	(82,052)	-	(151,703)	(552,509)
Principal paid on capital debt	(21,399)	-	(550,459)	(257,538)	(255,345)	(1,084,741)
Interest paid on capital debt	(1,133)	-	(25,859)	-	(196,201)	(223,193)
Net cash (used in) provided by capital and related financing activities	(341,286)	-	37,246	1,452,165	89,034	1,237,159
<b>Cash Flows from Investing Activities</b>						
Interest received on investments	4,798	6,886	2,262	-	18,855	32,801
Proceeds from sale and maturities of investment securities	(944,452)	313,867	84,174	-	(1,577,381)	(2,123,792)
Net cash (used in) provided by investing activities	(939,654)	320,753	86,436	-	(1,558,526)	(2,090,991)

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) Year Ended December 31, 2015

	Consolidated			Blackthorn	Emergency	
	Building	Parking Garage	Solid Waste	Golf Course	Medical Services	Total
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 252,376	\$ (118,968)	\$ 658,119	\$ (83,501)	\$ 987,759	\$ 1,695,785
<b>Cash and Cash Equivalents - Beginning of year</b>	171,242	248,724	102,281	83,501	673,996	1,279,744
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 423,618</u>	<u>\$ 129,756</u>	<u>\$ 760,400</u>	<u>\$ -</u>	<u>\$ 1,661,755</u>	<u>\$ 2,975,529</u>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>						
Cash and investments	\$ 1,930,809	\$ 639,642	\$ 1,014,970	\$ -	\$ 5,471,357	\$ 9,056,778
Less amounts classified as investments	(1,507,191)	(509,886)	(254,570)	-	(3,809,602)	(6,081,249)
Total cash and cash equivalents	<u>\$ 423,618</u>	<u>\$ 129,756</u>	<u>\$ 760,400</u>	<u>\$ -</u>	<u>\$ 1,661,755</u>	<u>\$ 2,975,529</u>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>						
Operating income (loss)	\$ (1,561,031)	\$ (609,077)	\$ 150,334	\$ (56,028)	\$ 288,778	\$ (1,787,024)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	153,457	216,068	466,163	-	451,579	1,287,267
Changes in assets and liabilities:						
Receivables	(53,874)	23	16,275	6,312	1,673,322	1,642,058
Inventory	-	-	-	6,344	-	6,344
Prepaid expenses and other assets	-	-	-	3,000	-	3,000
Accounts payable	36,568	(46,735)	(43,027)	(3,420)	16,858	(39,756)
Due to other funds	8,679	-	-	-	-	8,679
Accrued liabilities and other	203,694	-	(55,308)	-	26,714	175,100
Net cash (used in) provided by operating activities	<u>\$ (1,212,507)</u>	<u>\$ (439,721)</u>	<u>\$ 534,437</u>	<u>\$ (43,792)</u>	<u>\$ 2,457,251</u>	<u>\$ 1,295,668</u>
<b>Noncash Investing, Capital, and Financing Activities</b>						
Capital assets acquired through lease	\$ 83,099	\$ -	\$ 1,153	\$ -	\$ -	\$ 84,252
Capital assets disposed (at cost)	97,133	20,117	-	6,030,409	170,764	6,318,423
Net capital assets transferred from General Fund	-	-	-	-	5,576,930	5,576,930
Net debt transferred for related assets from General Fund	-	-	-	-	6,361,328	6,361,328

# City of South Bend, Indiana

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## Other Supplementary Information Internal Service Funds Fund Descriptions

**Liability Insurance Premium Reserve** - The Liability Insurance Premium Reserve fund accounts for expenses related to maintaining the City's self-funded liability insurance including administrative costs, claims, and premiums. Funding is provided by assessments to certain other City funds.

**Self-Funded Employee Benefits** - To account for employer and employees' contributions for a medical insurance plan.

**Central Services** - To account for expenses related to fuel, vehicle repairs, and various supplies provided to City departments on a cost-reimbursement basis.

**Police Take Home Vehicle** - To account for expenses associated with claims arising from use of program vehicles occurring while officers are not on duty. Funding is provided by officers participating in the program.

**Unemployment Compensation Insurance** - To account for payment of unemployment claims to the Indiana Department of Workforce Development. Financing is provided by allocating costs to user departments to cover the estimated costs of claims.

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Net Position Internal Service Funds December 31, 2015

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 916,771	\$ 905,779	\$ 308,719	\$ 129,930	\$ 54,543	\$ 2,315,742
Investments	3,602,511	3,456,681	1,208,809	510,567	214,330	8,992,898
Receivables:						
Accounts	-	3,060	41,303	-	-	44,363
Interest	7,199	6,950	2,392	1,019	428	17,988
Due from other funds	-	-	4,172	-	-	4,172
Inventory	-	-	851,487	-	-	851,487
Prepaid expenses	203,487	-	6,166	-	-	209,653
Total current assets	4,729,968	4,372,470	2,423,048	641,516	269,301	12,436,303
Noncurrent assets - Capital assets						
- Assets subject to depreciation	15,531	-	1,304,694	-	-	1,320,225
Total assets	4,745,499	4,372,470	3,727,742	641,516	269,301	13,756,528
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	20,059	-	489,035	53	8,101	517,248
Due to other funds	-	4,413	460	-	-	4,873
Accrued liabilities and other:						
Accrued payroll payable	2,426	-	30,833	-	-	33,259
Accrued interest payable	-	-	124	-	-	124
Compensated absences	9,989	-	113,246	-	-	123,235
Claims payable	1,476,268	1,097,776	-	-	-	2,574,044
Capital leases	-	-	5,275	-	-	5,275
Total current liabilities	1,508,742	1,102,189	638,973	53	8,101	3,258,058
Noncurrent liabilities - Capital leases						
	-	-	20,430	-	-	20,430
Total liabilities	1,508,742	1,102,189	659,403	53	8,101	3,278,488
<b>Deferred Inflows of Resources</b>						
	-	-	-	-	-	-
<b>Net Position</b>						
Net investment in capital assets	15,531	-	1,278,989	-	-	1,294,520
Unrestricted	3,221,226	3,270,281	1,789,350	641,463	261,200	9,183,520
Total net position	\$ 3,236,757	\$ 3,270,281	\$ 3,068,339	\$ 641,463	\$ 261,200	\$ 10,478,040

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended December 31, 2015

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
<b>Operating Revenue</b>						
Employee/employer contributions	\$ 1,222,767	\$ 14,323,273	\$ -	\$ 123,320	\$ 101,681	\$ 15,771,041
Charges for sales and services	-	-	7,364,529	-	-	7,364,529
Other	95,249	-	21,056	-	-	116,305
<b>Total operating revenue</b>	<b>1,318,016</b>	<b>14,323,273</b>	<b>7,385,585</b>	<b>123,320</b>	<b>101,681</b>	<b>23,251,875</b>
<b>Operating Expenses</b>						
Other operation and maintenance	-	-	6,888,584	-	-	6,888,584
Administration	349,730	747,777	242,328	-	6,796	1,346,631
Insurance claims and premiums	1,950,000	13,321,522	-	1,140	62,110	15,334,772
Depreciation	9,502	-	119,366	-	-	128,868
<b>Total operating expenses</b>	<b>2,309,232</b>	<b>14,069,299</b>	<b>7,250,278</b>	<b>1,140</b>	<b>68,906</b>	<b>23,698,855</b>
<b>Operating (Loss) Income</b>	<b>(991,216)</b>	<b>253,974</b>	<b>135,307</b>	<b>122,180</b>	<b>32,775</b>	<b>(446,980)</b>
<b>Nonoperating Revenue (Expenses)</b>						
Investment income	29,207	28,622	6,950	3,248	1,405	69,432
Loss on sale of assets	(337)	-	(19,496)	-	-	(19,833)
Debt service charge	-	-	(345)	-	-	(345)
<b>Total nonoperating revenue (expenses)</b>	<b>28,870</b>	<b>28,622</b>	<b>(12,891)</b>	<b>3,248</b>	<b>1,405</b>	<b>49,254</b>
<b>Change in Net Position</b>	<b>(962,346)</b>	<b>282,596</b>	<b>122,416</b>	<b>125,428</b>	<b>34,180</b>	<b>(397,726)</b>
<b>Net Position - Beginning of year (restated)</b>	<b>4,199,103</b>	<b>2,987,685</b>	<b>2,945,923</b>	<b>516,035</b>	<b>227,020</b>	<b>10,875,766</b>
<b>Net Position - End of year</b>	<b>\$ 3,236,757</b>	<b>\$ 3,270,281</b>	<b>\$ 3,068,339</b>	<b>\$ 641,463</b>	<b>\$ 261,200</b>	<b>\$ 10,478,040</b>

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2015

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
<b>Cash Flow from Operating Activities</b>						
Receipts from customers and users	\$ 95,249	\$ 3,079,384	\$ 2,828,959	\$ 123,320	\$ -	\$ 6,126,912
Receipts from interfund services and reimbursements	1,222,767	11,258,483	4,539,132	-	101,681	17,122,063
Payments to suppliers	(2,277,934)	(13,625,009)	(4,371,702)	(1,087)	(68,170)	(20,343,902)
Payments to employees	(219,546)	(10)	(2,642,647)	-	-	(2,862,203)
Internal activity - Payments to other funds	(3,591)	(429,249)	(217,081)	-	(6,796)	(656,717)
Net cash (used in) provided by operating activities	(1,183,055)	283,599	136,661	122,233	26,715	(613,847)
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchase of capital assets	-	-	(157,335)	-	-	(157,335)
Principal paid on capital debt	-	-	(4,682)	-	-	(4,682)
Interest paid on capital debt	-	-	(284)	-	-	(284)
Net cash used in capital and related financing activities	-	-	(162,301)	-	-	(162,301)
<b>Cash Flows from Investment Activities</b>						
Interest received on investments	28,356	26,198	6,256	2,805	1,246	64,861
Proceeds from sale and maturities of investment securities	755,587	(363,954)	(28,330)	(114,651)	(29,289)	219,363
Net cash provided by (used in) investing activities	783,943	(337,756)	(22,074)	(111,846)	(28,043)	284,224
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(399,112)	(54,157)	(47,714)	10,387	(1,328)	(491,924)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,315,883	959,936	356,433	119,543	55,871	2,807,666
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 916,771</b>	<b>\$ 905,779</b>	<b>\$ 308,719</b>	<b>\$ 129,930</b>	<b>\$ 54,543</b>	<b>\$ 2,315,742</b>

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds (Continued) Year Ended December 31, 2015

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Unemployment Compensation Insurance	Total
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>						
Cash and investments	\$ 4,519,282	\$ 4,362,460	\$ 1,517,528	\$ 640,497	\$ 268,873	\$ 11,308,640
Less amounts classified as investments	(3,602,511)	(3,456,681)	(1,208,809)	(510,567)	(214,330)	(8,992,898)
<b>Total cash and cash equivalents</b>	<b>\$ 916,771</b>	<b>\$ 905,779</b>	<b>\$ 308,719</b>	<b>\$ 129,930</b>	<b>\$ 54,543</b>	<b>\$ 2,315,742</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>						
Operating (loss) income	\$ (991,216)	\$ 253,974	\$ 135,307	\$ 122,180	\$ 32,775	\$ (446,980)
Adjustments to reconcile operating (loss) income to net cash from operating activities:						
Depreciation and amortization	9,502	-	119,366	-	-	128,868
Changes in assets and liabilities:						
Receivables	-	14,594	(22,292)	-	-	(7,698)
Due from other funds	-	-	4,798	-	-	4,798
Inventory	-	-	(1,269)	-	-	(1,269)
Prepaid expenses and other assets	1,573	-	(6,166)	-	-	(4,593)
Accounts payable	3,045	12,517	(9,183)	53	(6,060)	372
Due to other funds	-	2,514	(400)	-	-	2,114
Estimate of unfilled claims	(195,169)	-	-	-	-	(195,169)
Accrued liabilities and other	(10,790)	-	(83,500)	-	-	(94,290)
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (1,183,055)</b>	<b>\$ 283,599</b>	<b>\$ 136,661</b>	<b>\$ 122,233</b>	<b>\$ 26,715</b>	<b>\$ (613,847)</b>
<b>Noncash Investing, Capital, and Financing Activities</b>						
Capital assets acquired through lease	\$ -	\$ -	\$ 24,114	\$ -	\$ -	\$ 24,114
Capital assets disposed (at cost)	841	-	116,227	-	-	117,068

# City of South Bend, Indiana

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## Other Supplementary Information Fiduciary Funds Fund Descriptions

### Pension Trust Funds

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

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

### Agency Funds

**Payroll** - To account for the payroll of City employees and pension benefits of the Police and Firefighters' Pension Funds. Gross payroll and pension benefits are treated as expenditures in other City funds and transferred into this fund, which serves as a clearing account.

**Morris Palais Royale Box Office** - To account for Morris Entertainment Center and Palais Royale event advance deposits and related expenses.

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

# City of South Bend

## Other Supplementary Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2015

	Pension Trust Funds			Agency Funds			
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Payroll	Morris Palais Royale Box Office	Police Distribution Payable	Total Agency Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 234,434	\$ 95,665	\$ 330,099	\$ 412,690	\$ 1,504,458	\$ 835,108	\$ 2,752,256
Investments	921,224	375,921	1,297,145	-	-	-	-
Receivables - Interest	1,873	779	2,652	-	-	-	-
Total assets	<b>\$ 1,157,531</b>	<b>\$ 472,365</b>	<b>\$ 1,629,896</b>	<b>\$ 412,690</b>	<b>\$ 1,504,458</b>	<b>\$ 835,108</b>	<b>\$ 2,752,256</b>
<b>Liabilities</b>							
Accounts payable	\$ 98	\$ 82	\$ 180	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and other	-	248	248	412,690	-	-	412,690
Customer deposits payable	-	-	-	-	1,504,458	-	1,504,458
Police distribution payable	-	-	-	-	-	835,108	835,108
Total liabilities	98	330	428	<b>\$ 412,690</b>	<b>\$ 1,504,458</b>	<b>\$ 835,108</b>	<b>\$ 2,752,256</b>
<b>Net Position for Pension Benefits and Other Purposes</b>	<b>\$ 1,157,433</b>	<b>\$ 472,035</b>	<b>\$ 1,629,468</b>				

# City of South Bend, Indiana

## Other Supplementary Information Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds Year Ended December 31, 2015

	1925 Police Pension	1937 Firefighters' Pension	Total
<b>Additions</b>			
Investment income - Interest and dividends	\$ 4,376	\$ 2,675	\$ 7,051
Contributions:			
On behalf	6,378,359	5,039,025	11,417,384
Other	62	2,667	2,729
Net contributions	<u>6,378,421</u>	<u>5,041,692</u>	<u>11,420,113</u>
Total additions	6,382,797	5,044,367	11,427,164
<b>Deductions</b>			
Benefit payments	6,323,646	5,197,158	11,520,804
Administrative expenses	12,461	14,255	26,716
Total deductions	<u>6,336,107</u>	<u>5,211,413</u>	<u>11,547,520</u>
<b>Net Increase (Decrease) in Net Position Held in Trust</b>	46,690	(167,046)	(120,356)
<b>Net Position - Beginning of year</b>	<u>1,110,743</u>	<u>639,081</u>	<u>1,749,824</u>
<b>Net Position - End of year</b>	<u><u>\$ 1,157,433</u></u>	<u><u>\$ 472,035</u></u>	<u><u>\$ 1,629,468</u></u>

# City of South Bend, Indiana

## Other Supplementary Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2015

	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
<b><u>Payroll</u></b>				
<b>Assets - Cash and investments</b>	<b>\$ 301,548</b>	<b>\$ 104,323,272</b>	<b>\$ (104,212,130)</b>	<b>\$ 412,690</b>
<b>Liabilities - Accrued liabilities and other</b>	<b>\$ 301,548</b>	<b>\$ 104,323,272</b>	<b>\$ (104,212,130)</b>	<b>\$ 412,690</b>
	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
<b><u>Morris Palais Royale Box Office</u></b>				
<b>Assets - Cash and investments</b>	<b>\$ 1,071,032</b>	<b>\$ 4,349,030</b>	<b>\$ (3,915,604)</b>	<b>\$ 1,504,458</b>
<b>Liabilities - Customer deposits payable</b>	<b>\$ 1,071,032</b>	<b>\$ 4,349,030</b>	<b>\$ (3,915,604)</b>	<b>\$ 1,504,458</b>
	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
<b><u>Police Distribution Payable</u></b>				
<b>Assets - Cash and investments</b>	<b>\$ 802,859</b>	<b>\$ 97,510</b>	<b>\$ (65,261)</b>	<b>\$ 835,108</b>
<b>Liabilities - Police distribution payable</b>	<b>\$ 802,859</b>	<b>\$ 97,510</b>	<b>\$ (65,261)</b>	<b>\$ 835,108</b>

# Statistical Section

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

The statistical section is organized into the following main categories:

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

## **Financial Trends**

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

# City of South Bend

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

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

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

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

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	\$ (17,194,920)	\$ (13,680,203)	\$ (10,253,389)	\$ (7,903,378)	\$ (8,261,861)	\$ (16,783,351)	\$ (13,788,310)	\$ (13,200,898)	\$ (19,013,453)	\$ (21,572,776)
Public Safety	(56,600,175)	(52,751,974)	(49,728,256)	(50,800,573)	(62,106,991)	(73,530,442)	(69,977,237)	(76,023,819)	(68,783,155)	(56,528,448)
Highways and Streets	(21,813,189)	(17,904,129)	(22,292,012)	(15,042,344)	(9,526,537)	(7,574,003)	(14,639,158)	(20,915,815)	(13,031,500)	(20,045,444)
Health and Welfare	(114,131)	(75,000)	(75,000)	-	-	-	-	-	-	-
Community and Economic Development	(18,813,636)	(18,206,948)	(27,299,233)	(4,335,618)	(30,744,012)	(34,648,975)	(20,217,987)	(10,069,690)	(19,780,791)	(40,727,612)
Culture and Recreation	(14,994,300)	(16,454,667)	(18,311,807)	(17,981,839)	(16,036,194)	(15,566,794)	(21,724,589)	(26,846,471)	(16,802,311)	(20,300,768)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	(372,432)
Interest on Long-Term Debt	(5,841,032)	(5,859,102)	(7,080,166)	(8,049,610)	(7,339,548)	(6,798,531)	(6,134,406)	(5,961,124)	(2,497,849)	(4,762,714)
<b>Total governmental activities expenses</b>	<b>\$ (135,371,383)</b>	<b>\$ (124,932,023)</b>	<b>\$ (135,039,863)</b>	<b>\$ (104,113,362)</b>	<b>\$ (134,015,143)</b>	<b>\$ (154,902,096)</b>	<b>\$ (146,481,687)</b>	<b>\$ (153,017,817)</b>	<b>\$ (139,909,059)</b>	<b>\$ (164,310,194)</b>
<b>Business-type activities:</b>										
Water	\$ (11,916,504)	\$ (13,061,750)	\$ (13,492,744)	\$ (12,584,679)	\$ (12,525,246)	\$ (11,972,840)	\$ (12,228,014)	\$ (15,221,865)	\$ (13,020,610)	\$ (13,609,378)
Wastewater	(16,972,401)	(18,295,813)	(23,020,991)	(27,047,143)	(21,403,663)	(22,260,005)	(23,809,975)	(26,390,790)	(25,521,753)	(25,737,867)
Century Center	(3,355,531)	(3,490,103)	(3,562,285)	(3,488,266)	(2,989,586)	(3,100,484)	(2,929,268)	(4,330,656)	(4,747,838)	(4,854,747)
Consolidated Building Department (1)	(1,102,164)	(1,090,327)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)
Parking Garage	(1,261,942)	(1,444,146)	(1,466,200)	(1,471,960)	(1,438,288)	(1,467,646)	(1,721,655)	(1,285,056)	(1,660,596)	(2,139,182)
Solid Waste	(4,187,706)	(4,072,910)	(4,299,846)	(4,036,001)	(4,204,056)	(4,962,157)	(5,118,806)	(5,091,588)	(5,811,526)	(5,243,972)
Blackthorn Golf Course	(1,811,757)	(1,811,801)	(1,829,122)	(1,881,982)	(1,995,556)	(1,689,042)	(1,841,998)	(1,497,513)	(1,874,962)	(1,655,977)
Emergency Medical Services (2)	-	-	-	-	-	-	-	-	-	(6,596,206)
<b>Total business-type activities net expenses</b>	<b>(40,608,005)</b>	<b>(43,266,850)</b>	<b>(48,780,128)</b>	<b>(51,623,898)</b>	<b>(45,486,515)</b>	<b>(46,323,473)</b>	<b>(48,559,092)</b>	<b>(54,949,283)</b>	<b>(55,879,605)</b>	<b>(61,899,676)</b>
<b>Total primary government net position</b>	<b>\$ (175,979,388)</b>	<b>\$ (168,198,873)</b>	<b>\$ (183,819,991)</b>	<b>\$ (155,737,260)</b>	<b>\$ (179,501,658)</b>	<b>\$ (201,225,569)</b>	<b>\$ (195,040,779)</b>	<b>\$ (207,967,100)</b>	<b>\$ (195,788,664)</b>	<b>\$ (226,209,870)</b>
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General Government	\$ 6,883,104	\$ 6,553,121	\$ 6,647,223	\$ 6,855,830	\$ 6,964,269	\$ 1,165,018	\$ 2,100,103	\$ 1,939,865	\$ 1,451,438	\$ 1,188,531
Public Safety	5,132,285	4,228,405	5,035,433	5,051,827	4,916,958	4,096,566	5,079,182	5,210,272	4,992,228	529,386
Highways and Streets	44,250	-	-	5,152	28,110	227,000	291,840	451,363	728,343	676,429
Community and Economic Development	562,807	604,873	636,722	332,454	283,420	683,503	271,366	444,839	485,938	408,654
Culture and Recreation	4,940,629	5,057,076	5,300,818	5,063,896	4,995,049	4,681,536	5,224,543	5,112,019	3,815,920	3,726,359
Operating Grants and Contributions	12,452,463	15,628,287	11,356,682	12,199,444	29,467,573	32,091,246	24,937,596	21,466,622	3,203,805	2,813,481
Capital Grants and Contributions	13,793,363	960,502	1,176,783	780,137	1,472,233	2,328,468	2,468,120	1,867,213	-	-
<b>Total governmental activities program revenue</b>	<b>\$ 43,808,901</b>	<b>\$ 33,032,264</b>	<b>\$ 30,153,661</b>	<b>\$ 30,288,740</b>	<b>\$ 48,127,612</b>	<b>\$ 45,273,337</b>	<b>\$ 40,372,750</b>	<b>\$ 36,492,193</b>	<b>\$ 14,677,672</b>	<b>\$ 9,342,840</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water	\$ 14,757,819	\$ 15,336,891	\$ 14,926,833	\$ 14,151,289	\$ 14,194,442	\$ 14,080,592	\$ 15,409,171	\$ 15,102,462	\$ 14,373,176	\$ 14,204,285
Wastewater	18,725,903	21,349,401	23,567,973	25,012,163	26,001,156	29,407,263	30,657,698	32,474,743	34,009,117	36,638,804
Century Center	3,113,264	3,371,553	3,370,802	2,873,966	2,869,010	2,894,913	2,680,076	3,463,813	2,227,171	4,202,564
Consolidated Building Department	1,039,405	1,078,258	1,169,788	977,050	875,481	899,397	1,000,381	967,667	1,387,571	2,037,950
Parking Garage	799,350	861,307	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868	1,017,218	968,417
Solid Waste	4,177,897	4,187,821	4,343,120	4,759,530	4,745,547	4,830,342	5,081,991	5,399,044	5,295,712	5,364,871
Blackthorn Golf Course	1,565,649	1,512,150	1,493,519	1,557,951	1,479,415	1,392,999	1,669,372	1,530,402	1,548,341	109,949
Emergency Medical Services	-	-	-	-	-	-	-	-	-	6,470,446
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	1,413,861	1,253,332	1,209,380	4,038,412	1,889,165	4,291,731	2,010,253	697,916	95,834	4,683,424
<b>Total business-type activities program revenue:</b>	<b>45,593,148</b>	<b>48,950,713</b>	<b>51,085,304</b>	<b>54,440,880</b>	<b>53,102,000</b>	<b>58,868,315</b>	<b>59,429,986</b>	<b>60,604,915</b>	<b>59,954,140</b>	<b>74,680,710</b>
<b>Total primary government program revenues</b>	<b>\$ 89,402,049</b>	<b>\$ 81,982,977</b>	<b>\$ 81,238,965</b>	<b>\$ 84,729,620</b>	<b>\$ 101,229,612</b>	<b>\$ 104,141,652</b>	<b>\$ 99,802,736</b>	<b>\$ 97,097,108</b>	<b>\$ 74,631,812</b>	<b>\$ 84,023,550</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (81,123,122)	\$ (102,007,599)	\$ (73,959,701)	\$ (103,726,403)	\$ (106,774,484)	\$ 45,273,337	\$ (106,108,937)	\$ (116,525,624)	\$ (125,231,387)	\$ (154,967,354)
Business-type activities	2,326,298	170,585	(538,594)	8,954,365	6,778,527	58,868,315	10,870,894	5,655,632	4,074,535	12,781,034
<b>Total primary government net expense</b>	<b>\$ (78,796,824)</b>	<b>\$ (101,837,014)</b>	<b>\$ (74,498,295)</b>	<b>\$ (94,772,038)</b>	<b>\$ (99,995,957)</b>	<b>\$ 104,141,652</b>	<b>\$ (95,238,043)</b>	<b>\$ (110,869,992)</b>	<b>\$ (121,156,852)</b>	<b>\$ (142,186,320)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 68,256,602	\$ 77,120,683	\$ 76,109,499	\$ 73,882,128	\$ 77,315,641	\$ 76,445,349	\$ 71,775,415	\$ 72,018,650	\$ 69,221,468	\$ 72,032,049
County Option Income Tax	6,410,405	8,072,623	5,813,846	10,270,179	11,502,052	13,219,723	13,748,824	13,739,325	15,025,840	14,847,338
Economic Development Income Tax	4,013,475	4,681,134	3,788,754	4,536,245	7,335,113	8,044,773	8,324,878	8,177,352	8,796,821	9,031,709
Professional Sports Development Tax	336,281	435,791	453,268	522,788	597,406	558,268	633,904	649,996	588,054	628,261
Community Revitalization District Tax	1,000,000	1,000,000	955,315	605,623	416,149	733,100	653,185	244,623	-	-
Unrestricted Grants and Contributions	5,063,541	4,032,300	5,664,011	7,597,883	4,883,081	3,964,336	3,891,810	5,893,924	28,473,888	25,487,112
Unrestricted Investment earnings	4,762,484	6,247,113	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270	951,901	1,322,674
Other	3,520,138	5,016,902	2,007,821	2,781,368	2,627,341	3,483,054	6,623,313	14,285,314	6,747,199	11,214,442
Transfers	44,200	3,735	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415
<b>Total governmental activities</b>	<b>\$ 93,407,126</b>	<b>\$ 106,610,281</b>	<b>\$ 99,788,894</b>	<b>\$ 100,409,357</b>	<b>\$ 104,895,983</b>	<b>\$ 110,540,547</b>	<b>\$ 110,848,493</b>	<b>\$ 120,296,641</b>	<b>\$ 129,122,122</b>	<b>\$ 137,410,000</b>
<b>Business-type activities:</b>										
Unrestricted Investment earnings	\$ 906,056	\$ 1,301,348	\$ 1,514,287	\$ 271,360	\$ 146,826	\$ 206,409	\$ 285,572	\$ 138,362	\$ 128,168	\$ 358,918
Other	-	-	-	-	-	-	-	-	1,501,664	-
Transfers	(44,200)	(3,735)	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)	683,049	(2,846,415)
<b>Total business-type activities</b>	<b>861,856</b>	<b>1,297,613</b>	<b>1,479,317</b>	<b>917,352</b>	<b>795,649</b>	<b>(2,834,767)</b>	<b>(3,594,149)</b>	<b>(4,386,825)</b>	<b>2,312,881</b>	<b>(2,487,497)</b>
<b>Total primary government</b>	<b>\$ 94,268,982</b>	<b>\$ 107,907,894</b>	<b>\$ 101,268,211</b>	<b>\$ 101,326,709</b>	<b>\$ 105,691,632</b>	<b>\$ 107,705,780</b>	<b>\$ 107,254,344</b>	<b>\$ 115,909,816</b>	<b>\$ 131,435,003</b>	<b>\$ 134,922,503</b>
<b>Special Item (Governmental activities):</b>										
Well field contamination settlement	\$ -	\$ -	\$ 4,462,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of operations	-	-	-	-	-	-	-	-	-	(1,180,964)
<b>Change in Net Position</b>										
Governmental activities	(8,600,473)	32,650,580	524,705	(6,365,127)	150,169,320	911,788	4,739,556	3,771,016	3,890,735	(17,557,354)
Business-type activities	1,032,441	759,019	10,433,682	7,695,879	59,663,964	9,710,075	7,276,745	1,268,807	6,387,416	9,112,573
<b>Total primary government</b>	<b>\$ (7,568,032)</b>	<b>\$ 33,409,599</b>	<b>\$ 10,958,387</b>	<b>\$ 1,330,752</b>	<b>\$ 209,833,284</b>	<b>\$ 10,621,863</b>	<b>\$ 12,016,301</b>	<b>\$ 5,039,823</b>	<b>\$ 10,278,151</b>	<b>\$ (8,444,781)</b>

Excludes prior period adjustments

Source : City of South Bend Comprehensive Annual Financial Reports

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

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

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

# City of South Bend

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

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

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

Source: City of South Bend Comprehensive Annual Financial Reports

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

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

Excludes prior period adjustments

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

Source: City of South Bend Comprehensive Annual Financial Reports

## **Revenue Capacity**

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

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

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

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

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

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

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

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

# City of South Bend

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

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

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

(1) Includes State of Indiana, Redevelopment Commission (Hall of Fame), South Bend Transportation and South Bend Regional Airport.

(2) Firefighters' Pension and Police Pension no longer tax burden for the City of South Bend as the State of Indiana has assumed responsibility for funding these programs.

(3) Information provided for Portage Township in the City of South Bend. Property tax rates applied to net assessed valuation. Property tax billings are also subject to "circuit breaker" property tax caps on grossed assessed valuation of 1% (homestead residential property), 2% (other residential/rental property), and 3% (nonresidential real and personal property). Therefore, an increase in stated property tax rates will not result in higher property taxes paid for many taxpayers who have reached their cap.

# City of South Bend

## Statistical Section Detail of Net Assessed Valuation (Assessment for the Year 2014 Payable in 2015)

	South Bend Centre Twp	South Bend Clay Twp	South Bend German Twp	South Bend Penn Twp	South Bend Warren Twp	South Bend Portage Twp	Totals	Percent
Value of land	\$ 111,235,900	\$ 25,403,300	\$ 67,460,500	\$ 17,010,900	\$ 2,104,100	\$ 382,859,700	\$ 606,074,400	
Value of improvements	457,250,600	116,476,100	409,078,800	83,055,200	22,895,800	2,497,974,020	3,586,730,520	
<b>Total value of real estate</b>	<b>568,486,500</b>	<b>141,879,400</b>	<b>476,539,300</b>	<b>100,066,100</b>	<b>24,999,900</b>	<b>2,880,833,720</b>	<b>4,192,804,920</b>	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(225,151,976)	(33,285,949)	(82,018,671)	(26,710,454)	-	(903,098,984)	(1,270,266,034)	
Tax-exempt property	(41,704,125)	(7,423,168)	(27,124,970)	(9,323,600)	-	(338,256,082)	(423,831,945)	
Investment Deduction	-	-	-	-	-	(1,702,500)	(1,702,500)	
Tax increment financing	(59,228,996)	(8,648,206)	(248,406,279)	-	(23,951,500)	(366,775,526)	(707,010,507)	
Tax abatements	(2,784,175)	-	(18,302,844)	(1,583,740)	(1,048,400)	(13,151,882)	(36,871,041)	
<b>Net value of real estate</b>	<b>239,617,228</b>	<b>92,522,077</b>	<b>100,686,536</b>	<b>62,448,306</b>	<b>-</b>	<b>1,257,848,746</b>	<b>1,753,122,893</b>	<b>77.56%</b>
Gross personal property assessments	27,801,510	8,667,670	166,310,462	2,283,340	6,991,780	345,705,220	557,759,982	
Less: Tax abatements	-	-	(18,079,655)	-	-	(11,780,800)	(29,860,455)	
Tax-exempt property	(1,557,090)	(155,400)	(2,796,240)	(1,065,870)	-	(81,148,643)	(86,723,243)	
Investment deduction	-	-	-	-	-	(20,954,569)	(20,954,569)	
Tax increment financing	-	-	-	-	-	-	-	
<b>Net value of personal property</b>	<b>26,244,420</b>	<b>8,512,270</b>	<b>145,434,567</b>	<b>1,217,470</b>	<b>6,991,780</b>	<b>231,821,208</b>	<b>420,221,715</b>	<b>18.59%</b>
<b>Net value of utilities</b>	<b>9,260,250</b>	<b>3,696,780</b>	<b>6,771,990</b>	<b>1,101,960</b>	<b>336,000</b>	<b>65,757,730</b>	<b>86,924,710</b>	<b>3.85%</b>
<b>Total net assessed valuation</b>	<b>\$ 275,121,898</b>	<b>\$ 104,731,127</b>	<b>\$ 252,893,093</b>	<b>\$ 64,767,736</b>	<b>\$ 7,327,780</b>	<b>\$ 1,555,427,684</b>	<b>\$ 2,260,269,318</b>	<b>100.00%</b>
<b>Percentage of Total</b>	<b>12.17%</b>	<b>4.63%</b>	<b>11.19%</b>	<b>2.87%</b>	<b>0.32%</b>	<b>68.82%</b>	<b>100.00%</b>	

### Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total value	\$ 4,192,804,920	\$ 644,684,692	\$ 4,837,489,612	100.00%
Deductions & exemptions	(1,271,968,534)	(20,954,569)	(1,292,923,103)	-26.73%
Tax exempt property	(423,831,945)	(86,723,243)	(510,555,188)	-10.55%
Tax increment financing	(707,010,507)	-	(707,010,507)	-14.62%
Tax abatements	(36,871,041)	(29,860,455)	(66,731,496)	-1.38%
<b>Total net assessed valuation</b>	<b>\$ 1,753,122,893</b>	<b>\$ 507,146,425</b>	<b>\$ 2,260,269,318</b>	<b>46.72%</b>
<b>Percent</b>	<b>77.56%</b>	<b>22.44%</b>	<b>100.00%</b>	

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

# City of South Bend

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

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

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

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

Source: St. Joseph County Auditor's Office

# City of South Bend

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

<u>Tax Year/ Collection Year</u>	<u>Real Net Assessed Value</u>	<u>Personal Net Assessed Value</u>	<u>Utilities Net Assessed Value</u>	<u>Total Net Assessed Value</u>	<u>Percent Change</u>
2005/2006	\$ 2,200,118,689	\$ 536,981,781	\$ 98,165,420	\$ 2,835,265,890	0.58%
2006/2007	2,520,098,365	411,815,002	90,443,780	3,022,357,147	6.60%
2007/2008	2,493,481,003	389,863,705	92,736,090	2,976,080,798	-1.53%
2008/2009	2,137,129,242	435,866,407	95,891,770	2,668,887,419	-10.32%
2009/2010	1,911,818,036	443,253,787	98,433,750	2,453,505,573	-8.07%
2010/2011	1,809,523,734	413,918,368	101,009,760	2,324,451,862	-5.26%
2011/2012	1,858,836,588	426,872,370	95,165,650	2,380,874,608	2.43%
2012/2013	1,858,213,181	412,042,066	100,832,450	2,371,087,697	-0.41%
2013/2014	1,687,672,152	431,802,340	90,252,180	2,209,726,672	-6.81%
2014/2015	1,753,122,893	420,221,715	86,924,710	2,260,269,318	2.29%

Source: St. Joseph County Auditor's office

# City of South Bend

## Statistical Section Assessed Value of Taxable Property 2005 - 2015

Tax Year/ Collection Year	Total Gross Valuation	Deductions (1)	Tax Exempt Property	Tax Increment Financing	Tax Abatements	Net Assessed Valuation
2005/2006	\$ 4,542,679,011	\$ (867,578,331)	\$ (413,587,899)	\$ (290,451,066)	\$ (135,795,825)	\$ 2,835,265,890
2006/2007	5,009,335,347	(1,014,750,501)	(494,545,149)	(382,668,480)	(95,014,070)	3,022,357,147
2007/2008	5,040,633,115	(996,413,450)	(494,748,890)	(471,656,927)	(101,733,050)	2,976,080,798
2008/2009	5,387,419,960	(1,557,329,781)	(436,861,027)	(625,910,065)	(98,431,668)	2,668,887,419
2009/2010	5,071,882,200	(1,344,563,829)	(449,848,037)	(707,096,696)	(116,868,065)	2,453,505,573
2010/2011	4,991,866,350	(1,353,769,271)	(439,343,852)	(777,038,302)	(97,263,063)	2,324,451,862
2011/2012	4,910,736,210	(1,331,068,608)	(417,907,225)	(702,724,247)	(78,161,522)	2,380,874,608
2012/2013	5,091,220,910	(1,397,134,910)	(488,961,977)	(761,349,489)	(72,686,837)	2,371,087,697
2013/2014	4,842,882,200	(1,344,702,776)	(512,692,590)	(713,448,152)	(62,312,010)	2,209,726,672
2014/2015	4,837,489,612	(1,292,923,103)	(510,555,188)	(707,010,507)	(66,731,496)	2,260,269,318

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

### 2015 Deductions

Homestead Standard Deduction	\$	814,820,960
Supplemental Standard Deduction		368,795,377
Mortgage Deduction		44,358,618
Veteran's Deduction		11,027,128
Age 65 and Over Deduction		25,146,428
Energy Systems Deduction		403,400
Blind & Disabled Deduction		5,714,123
Investment Deduction		22,657,069
<b>Total</b>	<b>\$</b>	<b>1,292,923,103</b>

Source: St. Joseph County Auditor's Office Abstract

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

Fund Name	2006 Actual	2007 Actual	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual
General Fund	\$48,768,150	\$48,720,726	\$14,574,480	\$79,162,937	\$38,780,847	\$38,514,550	\$39,368,431	\$36,251,397	\$36,708,989	\$37,349,387
Excess Levy	-	-	-	-	-	-	-	-	3,648	-
Parks & Recreation	8,363,955	8,271,741	2,461,101	13,919,096	7,591,932	7,613,760	7,824,056	7,207,060	7,365,388	7,487,554
Redevelopment Bonds Studebaker Corridor	-	11,590	-	-	-	-	-	-	-	-
College Football Hall of Fame Debt Service	899,472	1,127,140	360,682	2,362,057	1,488,453	1,549,954	1,133,205	1,268,179	497,768	906,263
River West TIF District (1)	7,515,744	8,851,077	33,400	10,808,912	21,508,430	11,187,768	11,631,287	13,340,354	14,284,734	16,293,240
Cumulative Capital Development	1,054,963	989,824	291,600	1,420,833	587,063	540,454	517,710	463,331	430,786	428,727
Sample-Ewing TIF District (1)	732,356	778,093	-	-	-	-	-	-	-	-
South Bend Central Development Area TIF (1)	3,283,075	3,276,169	12,696	3,870,188	7,336,117	3,633,473	3,671,478	2,590,808	4,309,727	-
West Washington Street TIF District	255,510	287,095	1,785	358,844	860,049	431,085	422,715	493,608	580,987	402,911
Central Medical Service Area TIF District (1)	333,585	928,113	2,793	919,174	3,524,962	1,704,238	1,606,915	1,221,676	851,211	-
River East (Northeast) TIF District	-	13,468	-	22,191	195,400	715,063	1,351,048	841,627	1,568,240	2,421,308
Southside Development Area TIF District	28,565	457,985	1,756	355,596	4,094,135	1,808,952	2,466,203	2,404,416	2,379,212	2,205,822
Erskine Commons TIF District (5)	2,585	2,891	10	1,240,184	5,978,592	784,373	-	-	-	-
Erskine Village TIF District	305,399	775,622	2,713	1,531,403	3,759,287	1,603,182	-	1,311,129	9,175	19,183
Douglas Road TIF District	-	13,941	-	125,294	460,760	306,053	285,713	323,939	321,895	270,758
River East (Northeast) Residential TIF	-	-	-	-	1,815,829	2,446,103	2,514,048	2,262,765	2,725,909	3,129,681
Airport Urban Enterprise	-	-	-	-	301,430	123,165	111,721	-	-	-
Fire Department Employees Pension (4)	1,554,387	1,536,839	462,375	1,437,539	(5,867)	-	-	-	-	-
Police Department Employees Pension (4)	1,397,265	1,380,555	425,760	1,609,905	(9,479)	-	-	-	-	-
<b>Total</b>	<b>\$74,495,011</b>	<b>\$77,422,869</b>	<b>\$18,631,151</b>	<b>\$119,144,153</b>	<b>\$98,267,940</b>	<b>\$72,962,173</b>	<b>\$72,904,530</b>	<b>\$69,980,289</b>	<b>\$72,037,669</b>	<b>\$70,914,834</b>

### Source - City Accounting System

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

# City of South Bend

## Statistical Section 2015 Circuit Breaker Property Tax Cap Credits

Taxing Unit Name	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total Credits
<b>City of South Bend (101,168 population)</b>					
South Bend Civil City	\$ 6,779,178	\$ 13,324,421	\$ 11,509,505	\$ 23,037	\$ 31,636,141
Hall of Fame Bond	-	-	-	461	461
TIF - SB So. #1 Centre	623	43,284	1,115,515	-	1,159,422
TIF - SB So. #3 Centre	-	-	9,367	-	9,367
TIF- Douglas Road EDA	-	2,921	159,924	-	162,845
TIF - River East Clay	-	-	8,609	-	8,609
TIF - River West German	31,042	396,166	4,325,091	-	4,752,299
TIF - SB West Washington	10,346	249,479	106,870	66	366,761
TIF - SB So. #1 Portage	498	54,518	52,427	-	107,443
TIF - River West Portage	25,034	1,218,360	2,527,990	4	3,771,388
TIF - River West Warren	-	-	442,888	-	442,888
TIF - River East Portage	62,996	2,824,062	1,512,367	-	4,399,425
<b>Total Credits</b>	<b>\$ 6,909,717</b>	<b>\$ 18,113,211</b>	<b>\$ 21,770,553</b>	<b>\$ 23,568</b>	<b>\$ 46,817,049</b>
<b>Per Capita Credits</b>	<b>68.30</b>	<b>179.04</b>	<b>215.19</b>	<b>0.23</b>	<b>462.77</b>

Local Unit	Total Credits	2010 Population	Per Capita Credits
South Bend Civil City	\$ 31,636,141	101,168	312.71
Anderson Civil City	10,239,625	56,120	182.46
East Chicago Civil City	11,263,022	29,698	379.25
Elkhart Civil City	9,278,997	50,949	182.12
Evansville Civil City	9,659,167	117,429	82.26
Fort Wayne Civil City	18,570,414	253,691	73.20
Gary Civil City	26,398,072	80,294	328.77
Goshen Civil City	3,874,596	31,719	122.15
Hammond Civil City	5,260,785	80,830	65.08
Jeffersonville Civil City	3,731,632	44,953	83.01
Kokomo Civil City	8,865,350	45,468	194.98
Lafayette Civil City	1,664,486	61,140	27.22
Laporte Civil City	2,714,420	22,053	123.09
Mishawka Civil City	4,459,425	48,252	92.42
Muncie Civil City	14,811,898	70,085	211.34
Noblesville Civil City	5,155,218	51,969	99.20
Saint Joseph County	7,720,780	266,931	28.92
South Bend School Corporation	7,137,022	101,168	70.55
Terre Haute Civil City	10,071,647	60,785	165.69

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

Sources - Circuit Breaker Report. Prepared by the Legislative Services Agency, December 17, 2014 ([www.iga.in.gov](http://www.iga.in.gov)).  
County Property Tax Studies, Saint Joseph County, Property Tax Changes in Saint Joseph County Between 2014 and 2015. Prepared by the Legislative Services Agency, October 2015. ([www.iga.gov](http://www.iga.gov)).  
2010 Population - American Fact Finder [www.factfinder.census.gov](http://www.factfinder.census.gov)

## Statistical Section Principal Property Taxpayers - Current and Nine Years Ago December 31, 2015

Taxpayer	Type of Business	2015			2006		
		Net Assessed Value (1)	Rank	Percent of Total	Net Assessed Value (2)	Rank	Percent of Total
Honeywell International, Inc.	Airplane and Auto Parts	\$ 45,011,384	1	1.99 %	\$ 10,686,900	6	0.38 %
Indiana Bell - AT&T Inc.	Telecommunications	41,252,660	2	1.83			
Indiana Michigan Power Company - AEP	Utility	36,944,140	3	1.63			
Edward Rose of Indiana	Apartments and Real Estate	35,693,000	4	1.58	40,418,500	2	1.43
Beacon Health Systems, Inc. - Memorial Hospital	Healthcare	25,705,840	5	1.14			
Federal-Mogul Powertrain Systems	Automotive Parts	24,942,500	6	1.10			
The Tire Rack	Automotive Parts	21,639,970	7	0.96			
NIPSCO	Utility	20,911,992	8	0.93			
KSK Scottsdale Mall	Commercial Real Estate	19,631,600	9	0.87			
Comcast	Telecommunications	18,569,480	10	0.82			
Home Properties Maple Lane II LLC	Apartments and Real Estate				57,087,800	1	2.01
Walnut Grove Mutual Housing Corp	Apartments and Real Estate				33,450,900	3	1.18
Can-American South Bend Limited	Apartments and Real Estate				12,386,000	4	0.44
Dwellco II Limited Partnership	Apartments and Real Estate				11,131,000	5	0.39
Ameritech	Communications				10,563,700	7	0.37
Meijer Stores Limited Partnership	Department Store				9,329,400	8	0.33
Amico Turtle Creek	Apartments and Real Estate				9,239,000	9	0.33
Wal-Mart	Department Store				9,189,400	10	0.32
<b>Total Net Assessed Value - Ten Largest Taxpayers</b>		<b>\$ 290,302,566</b>		<b>12.84 %</b>	<b>\$ 203,482,600</b>		<b>7.18 %</b>
<b>Total Net Assessed Value (3)</b>		<b>\$ 2,260,269,318</b>		<b>100.00 %</b>	<b>\$ 2,835,265,890</b>		<b>100.00 %</b>

**Source:**

- (1) 2015 South Bend Redevelopment Authority Consultant's Report prepared by Crowe Horwath
- (2) 2006 Comprehensive Annual Financial Report
- (3) St. Joseph County Auditor

**COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT) REVENUE**

<u>Distribution Year</u>	<u>EDIT (1) Tax Rate</u>	<u>Total Est County EDIT Collections</u>	<u>Rate of Growth</u>	<u>South Bend EDIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
2006	0.20%	\$ 10,610,460	18.10%	\$ 4,013,475	15.86%	37.83%	\$ 4,013,475
2007	0.20%	10,558,004	-0.49%	3,702,467	-7.75%	35.07%	3,702,467
2008	0.20%	11,136,493	5.48%	3,997,997	7.98%	35.90%	3,997,997
2009	0.20%	11,938,605	7.20%	4,612,694	15.38%	38.64%	3,843,912
2010 (2)	0.40%	22,789,919	90.89%	8,321,633	80.41%	36.51%	9,090,415
2011	0.40%	18,826,685	-17.39%	7,300,866	-12.27%	38.78%	7,300,866
2012 (3)	0.40%	17,649,256	-6.25%	8,324,626	14.02%	47.17%	9,068,785
2013	0.40%	20,611,415	16.78%	8,177,352	-1.77%	39.67%	8,177,352
2014	0.40%	22,063,091	7.04%	8,796,821	7.58%	39.87%	8,796,821
2015	0.40%	23,081,049	4.61%	9,181,206	4.37%	39.78%	9,181,206
<b>Total</b>		<b>\$178,249,127</b>		<b>\$69,893,289</b>		<b>39.21%</b>	<b>\$70,637,448</b>

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

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

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

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

# City of South Bend

## Statistical Section Local Option Income Tax Revenue Last Ten Years

### COUNTY OPTION INCOME TAX (COIT) REVENUE

<u>Distribution Year</u>	<u>COIT Tax Rate (1)</u>	<u>Total County COIT Distributions</u>	<u>Rate of Growth</u>	<u>South Bend COIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
2006	0.60%	\$ 21,276,623	27.96%	\$ 6,950,396	26.60%	32.67%	\$ 6,410,405
2007	0.60%	16,993,346	-20.13%	5,160,903	-25.75%	30.37%	5,816,766
2008	0.60%	20,689,958	21.75%	6,382,478	23.67%	30.85%	6,192,452
2009	0.60%	26,973,887	30.37%	8,952,424	40.27%	33.19%	8,302,694
2010	0.60%	25,147,806	-6.77%	7,855,776	-12.25%	31.24%	7,648,824
2011	0.60%	19,907,430	-20.84%	6,458,586	-17.79%	32.44%	7,097,462
2012 (2)	0.60%	22,536,457	13.21%	7,691,991	19.10%	34.13%	8,610,742
2013	0.60%	22,923,958	1.72%	7,846,939	2.01%	34.23%	7,846,939
2014	0.60%	25,275,541	10.26%	8,645,811	10.18%	34.21%	8,645,811
2015	0.60%	26,435,155	4.59%	8,859,912	2.48%	33.52%	8,859,912
<b>Total</b>		<b>\$ 244,788,292</b>		<b>\$ 80,295,434</b>		<b>32.80%</b>	<b>\$ 81,127,625</b>

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

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

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

# City of South Bend

## Statistical Section Local Option Income Tax Revenue Last Ten Years

### PUBLIC SAFETY LOCAL OPTION INCOME TAX REVENUE

Distribution Year		PS LOIT Tax Rate	Total County LOIT Distributions	Rate of Growth	South Bend LOIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2010	(1)	0.25%	\$ 13,846,267	100.00%	\$ 6,078,454	100.00%	43.90%	\$ 6,078,454
2011		0.25%	11,371,882	-17.87%	5,293,619	-12.91%	46.55%	5,293,619
2012	(2)	0.25%	10,644,975	-6.39%	6,056,334	14.41%	56.89%	6,605,601
2013		0.25%	12,457,864	17.03%	5,892,356	-2.71%	47.30%	5,892,386
2014		0.25%	13,476,753	8.18%	6,380,029	8.28%	47.34%	6,380,029
2015		0.25%	13,734,382	1.91%	6,466,190	1.35%	47.08%	6,466,190
<b>Total</b>			<b>\$75,532,123</b>		<b>\$36,166,982</b>		<b>47.88%</b>	<b>\$36,716,279</b>

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

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

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

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

Unit of Government	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total County Certified Distribution	\$ 31,044,322	\$ 30,859,812	\$ 32,574,042	\$ 34,801,729	\$ 33,231,041	\$ 27,292,516	\$ 29,898,874	\$ 29,898,874	\$ 32,344,207	\$ 32,962,518
Less: Homestead Credit (1)	(9,767,699)	(13,866,466)	(11,884,084)	(7,827,842)	(8,083,235)	(7,385,086)	(7,362,417)	(6,974,918)	(7,068,666)	(6,527,363)
<b>Total Distributive Shares</b>	<b>\$ 21,276,623</b>	<b>\$ 16,993,346</b>	<b>\$ 20,689,958</b>	<b>\$ 26,973,887</b>	<b>\$ 25,147,806</b>	<b>\$ 19,907,430</b>	<b>\$ 22,536,457</b>	<b>\$ 22,923,956</b>	<b>\$ 25,275,541</b>	<b>\$ 26,435,155</b>
<b>Distributive Shares/Total County Distribution</b>	<b>68.54%</b>	<b>55.07%</b>	<b>63.52%</b>	<b>77.51%</b>	<b>75.68%</b>	<b>72.94%</b>	<b>75.38%</b>	<b>76.67%</b>	<b>78.15%</b>	<b>80.20%</b>
<b>Amount</b>										
St. Joseph County	\$ 8,440,988	\$ 7,376,623	\$ 8,825,206	\$ 10,358,300	\$ 9,819,576	\$ 7,383,180	\$ 7,986,750	\$ 8,460,192	\$ 9,314,201	\$ 9,611,416
Townships	834,727	648,364	820,241	1,180,913	1,168,352	1,054,827	1,244,481	954,332	1,069,408	1,541,211
City of South Bend - Civil City	6,733,129	5,077,450	6,266,381	8,748,506	7,677,730	6,304,224	7,511,976	7,711,609	8,483,839	8,754,940
City of South Bend - Redevelopment	217,267	83,453	116,097	203,918	178,046	154,363	184,790	135,330	161,972	104,972
Other Cities & Towns	2,616,698	1,982,192	2,367,929	3,592,330	3,462,786	2,667,400	3,077,335	3,137,086	3,378,481	3,508,422
Libraries	1,706,495	1,285,029	1,646,819	2,007,809	2,042,942	1,762,365	1,879,376	1,849,933	2,126,185	2,144,046
Special Districts	727,319	540,235	647,285	882,111	798,374	581,071	651,749	675,474	741,455	770,148
<b>Total</b>	<b>\$ 21,276,623</b>	<b>\$ 16,993,346</b>	<b>\$ 20,689,958</b>	<b>\$ 26,973,887</b>	<b>\$ 25,147,806</b>	<b>\$ 19,907,430</b>	<b>\$ 22,536,457</b>	<b>\$ 22,923,956</b>	<b>\$ 25,275,541</b>	<b>\$ 26,435,155</b>
<b>Percentage of Distribution</b>										
St. Joseph County	39.67%	43.41%	42.65%	38.40%	39.05%	37.09%	35.44%	36.91%	36.85%	36.36%
Townships	3.92%	3.82%	3.96%	4.38%	4.65%	5.30%	5.52%	4.16%	4.23%	5.83%
City of South Bend - Civil City	31.65%	29.88%	30.29%	32.43%	30.53%	31.67%	33.33%	33.64%	33.57%	33.12%
City of South Bend - Redevelopment	1.02%	0.49%	0.56%	0.76%	0.71%	0.78%	0.82%	0.59%	0.64%	0.40%
Other Cities & Towns	12.30%	11.66%	11.44%	13.32%	13.77%	13.40%	13.65%	13.68%	13.37%	13.27%
Libraries	8.02%	7.56%	7.96%	7.44%	8.12%	8.85%	8.34%	8.07%	8.41%	8.11%
Special Districts	3.42%	3.18%	3.14%	3.27%	3.17%	2.91%	2.90%	2.95%	2.93%	2.91%
<b>Total</b>	<b>100.00%</b>									

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

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

# City of South Bend

## Statistical Section Ten Largest Water Customers December 31, 2015

Name	2015 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	\$ 140,508	0.99%	93,015
Memorial Hospital of South Bend	106,400	0.75%	93,713
Irish Hills Apartments	75,351	0.53%	61,638
Honeywell Aerospace Co	72,596	0.51%	65,410
Indiana University South Bend	56,244	0.40%	31,495
Indian Springs Apartments and Townhouses	53,570	0.38%	39,567
Castle Point Apartments	40,042	0.28%	42,333
Aramark Uniform Services	37,530	0.26%	47,452
Laurnenz Place LLC	36,744	0.26%	47,117
Holy Cross Care Services Inc	35,034	0.25%	32,076
<b>Total of Ten Largest Water Customers</b>	<b>\$ 654,020</b>	<b>4.60%</b>	
<b>Total for Operating Revenue for Water Works</b>	<b>\$ 14,204,285</b>	<b>100.00%</b>	

\*Hundreds of Cubic Feet

# City of South Bend

## Statistical Section Ten Largest Sewage Works Customers December 31, 2015

Name	Metered Revenue	Heavy Demand Surcharge	Total Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/NTEK Plant	\$ 2,013,744	\$	\$ 2,013,744	5.50%	738,695
University of Notre Dame	1,349,108		1,349,108	3.68%	567,593
Noble Americas Ethenol	946,283	577,463	1,523,746	4.16%	111,966
Memorial Hospital	397,073		397,073	1.08%	90,703
South Bend Community School Corp	384,711		384,711	1.05%	67,758
Honeywell Aerospace Co	308,200		308,200	0.84%	64,070
Indian Springs Apartments and Townhouses	188,984		188,984	0.52%	33,360
Irish Hill Apartment	187,850		187,850	0.51%	46,298
Aramark Uniform Services	185,394		185,394	0.51%	47,440
Laurenz Place LLC	169,638		169,638	0.46%	46,836
<b>Total of Ten Largest Sewer Customers</b>	<b>\$ 6,130,984</b>	<b>\$ 577,463</b>	<b>\$ 6,708,447</b>	<b>18.31%</b>	
<b>Total Operating Revenue for Wastewater</b>			<b>\$ 36,635,501</b>		

\*Hundreds of Cubic Feet

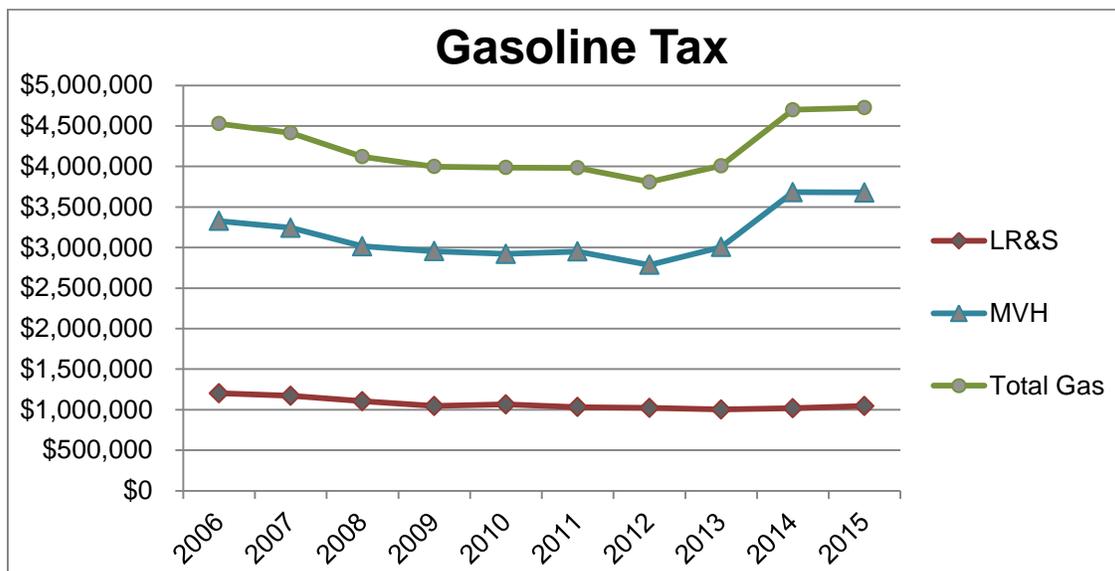
# City of South Bend

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

Year	LR&S Fund	MVH Fund	Total Gas Tax	% Change
<b>2006</b>	\$ 1,201,538	\$ 3,327,314	\$ 4,528,852	-1.76%
<b>2007</b>	1,171,732	3,243,818	4,415,550	-2.50%
<b>2008</b>	1,104,260	3,016,198	4,120,458	-6.68%
<b>2009</b>	1,045,477	2,954,086	3,999,563	-2.93%
<b>2010</b>	1,064,149	2,922,165	3,986,314	-0.33%
<b>2011</b>	1,030,958	2,951,072	3,982,030	-0.11%
<b>2012</b>	1,022,508	2,786,592	3,809,100	-4.34%
<b>2013</b>	1,001,871	3,006,122	4,007,993	5.22%
<b>2014</b>	1,017,383	3,682,329	4,699,712	17.26%
<b>2015</b>	1,045,516	3,679,371	4,724,887	0.54%

Distributions of gas tax revenue are made monthly by the Indiana Department of Revenue to the Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) funds for use in construction and maintenance of streets and highways. Distributions are based on a complex formula developed by the state which takes into account population, road and street mileage and other factors. Gas tax revenue was declining in prior years due to the economy and more fuel efficient vehicles, however, due to an improvement in the economy and temporary increase in state funding for two years, total gas tax increased in 2014. Gas tax remained consistent in 2015.

**Source: City Accounting Records**



# City of South Bend

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

Year	LR&S Fund	MVH Fund	Total Wheel Tax	% Change
2006	\$ 1,849,924	\$ -	\$ 1,849,924	-3.37%
2007	1,966,003	-	1,966,003	6.27%
2008	-	2,040,751	2,040,751	3.80%
2009	-	1,893,982	1,893,982	-7.19%
2010	-	1,975,397	1,975,397	4.30%
2011	-	1,863,283	1,863,283	-5.68%
2012	-	1,795,538	1,795,538	-3.64%
2013	-	2,045,213	2,045,213	13.91%
2014	-	1,637,707	1,637,707	-19.92%
2015	-	2,135,441	2,135,441	30.39%

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

Increase in the 2015 wheel tax due to 13 months of taxes being collected during the year (September 2014 - September 2015). Prior year tax collections were several months behind.

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

**Source: City Accounting Records**

# City of South Bend

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

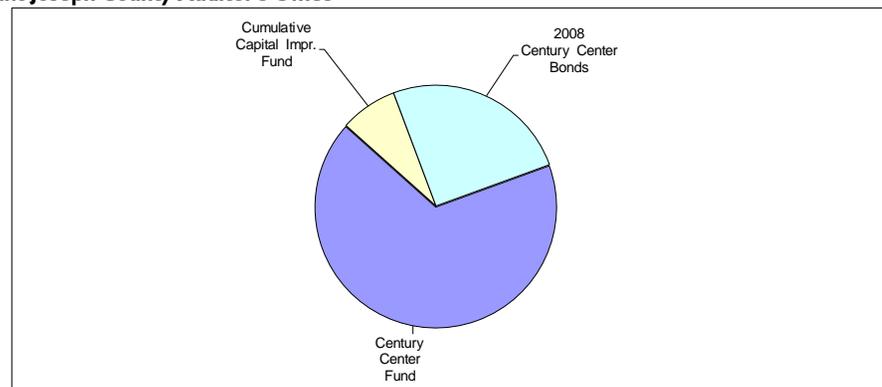
Year	-----Paid to City of South Bend-----					-----Direct Payments-----					Total Hotel/ Motel Tax	% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Subtotal: Paid to City of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other South Bend Projects				
2006	\$ 1,247,928	\$ 473,258	\$ 150,000	\$ -	\$ 1,871,186	\$ 357,135	\$ -	\$ 364,150	\$ 2,592,471	\$ 0		
2007	1,361,263	507,585	150,000	-	2,018,848	354,916	-	136,330	2,510,094	-3.18%		
2008	1,497,390	589,620	150,000	-	2,237,010	356,918	-	694,135	3,288,063	30.99%		
2009	1,347,651	530,137	150,000	-	2,027,788	-	198,500	265,258	2,491,546	-24.22%		
2010	1,313,152	521,800	150,000	399,000	2,383,952	-	-	97,000	2,480,952	-0.43%		
2011	1,313,436	494,325	150,000	400,000	2,357,761	-	-	-	2,357,761	-4.97%		
2012	1,313,436	489,152	150,000	398,000	2,350,588	-	-	-	2,350,588	-0.30%		
2013	1,313,436	-	150,000	398,500	1,861,936	-	-	-	1,861,936	-20.79%		
2014	1,313,450	-	150,000	400,000	1,863,450	-	-	457,739	2,321,189	24.67%		
2015	1,313,450	-	150,000	492,000	1,955,450	-	-	976,855	2,932,305	26.33%		

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

Proceeds from the hotel/motel tax fund are budgeted and distributed annually to important economic development and tourism projects in the County. South Bend receives distributions for the operations, maintenance and debt service of Century Center (convention center), the Cumulative Capital Development Fund (used for repayment of 1994 Century Center Bonds), repayment of a 2008 Century Center Bond and other capital projects. Hotel/Motel tax will also be used to pay the 2015 Energy Conservation Bond which was issued by the City for the energy improvements made at the Century Center in 2015.

The hotel/motel tax fund also supports other activities not included in the City of South Bend's financial statements such as the South Bend/Mishawaka Convention and Visitors Bureau. The total distribution of hotel/motel tax during 2015 to all organizations was \$4,159,034. The cash balance in the County Hotel/Motel Tax Fund was \$2,362,417 at December 31, 2015.

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



## Statistical Section

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

Year	Total PSDA Tax	% Change
2006	\$ 370,556	-3.73%
2007	387,813	4.66%
2008	396,873	2.34%
2009	617,304	55.54%
2010	640,760	3.80%
2011	409,020	-36.17%
2012	721,763	76.46%
2013	597,111	-17.27%
2014	551,252	-7.68%
2015	628,261	13.97%

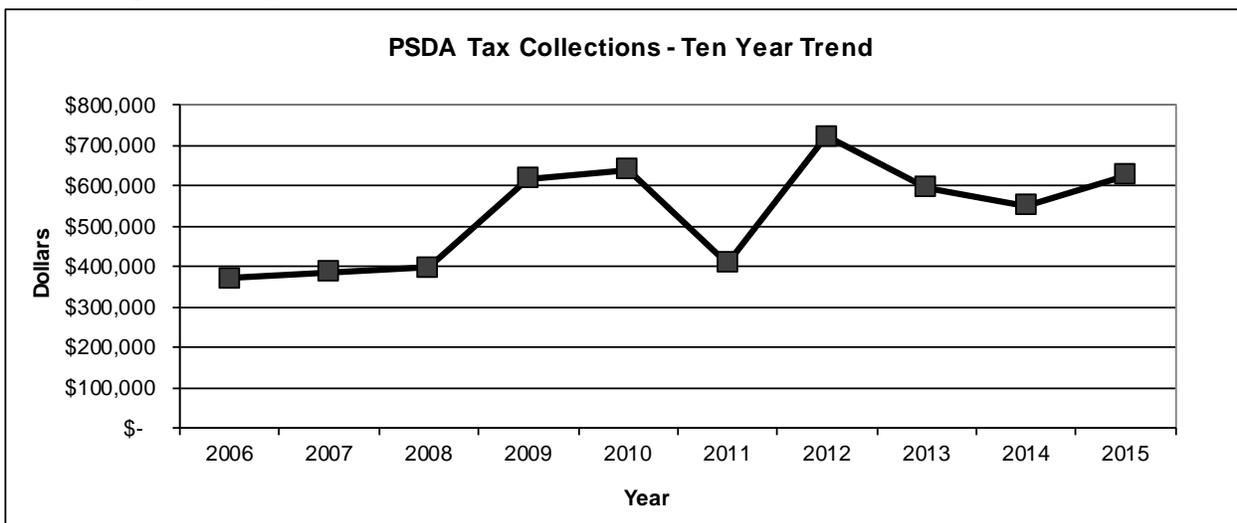
The Professional Sports Development Area (PSDA) tax is a combination of state income tax withholding, local income tax withholding and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski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

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

PSDA tax revenue increased in 2009 primarily due to the increase in the State of Indiana sales tax rate from 6% to 7% and the increase in local option income taxes from .8% to 1.75% as a consequence of property tax reform. PSDA tax revenue decreased in 2011 due to delays in payments in amounts owed by the State until 2012. The decrease PSDA tax revenues in 2014 were due to a delay in payments from the state whereas the increase in 2015 is due to 12 months of receipts being deposited.

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

Source: City Accounting Records



# City of South Bend

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

Year	Comcast	AT&T	Total Franchise Fees	% Change
2006	\$ 790,111	\$ -	\$ 790,111	24.15%
2007	692,548	-	692,548	-12.35%
2008	694,387	-	694,387	0.27%
2009	702,048	41,043	743,091	7.01%
2010	817,023	131,263	948,286	27.61%
2011	677,949	176,586	854,535	-9.89%
2012	691,586	192,621	884,207	3.47%
2013	736,071	191,529	927,600	4.91%
2014	717,156	238,309	955,465	3.00%
2015	723,676	281,873	1,005,549	5.24%

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

The video franchise fee revenue is deposited in the General Fund and is used for general operating costs. A portion of the proceeds (2015 - \$43,000) are spent on support of the local public access channel.

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

**Source: City Accounting Records**

## **Debt Capacity**

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

# City of South Bend

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

### Civil City

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

### Redevelopment District

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

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

# City of South Bend

## Statistical Section Legal Debt Margin Information Last Ten Fiscal Years

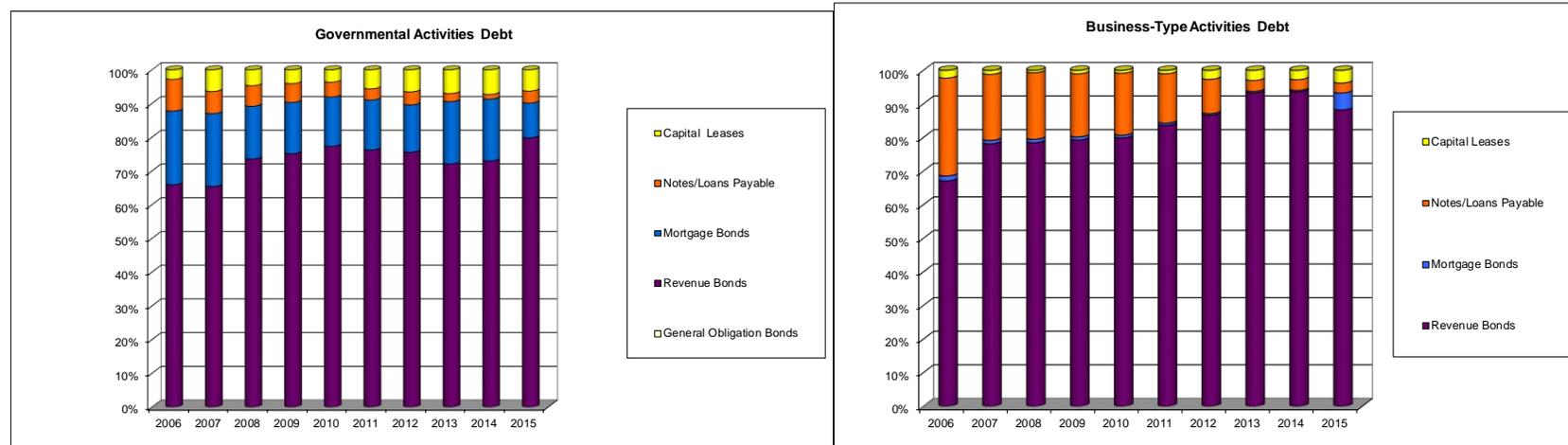
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>Civil City</u></b>										
Debt Limit (I)	\$18,901,773	\$20,149,048	\$19,840,538	\$17,792,583	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462
Total Net Debt Applicable To Limit	7,367,825	6,685,000	6,105,000	5,500,000	9,850,000	8,910,000	7,650,000	6,335,000	4,970,000	7,270,000
Debt Margin	11,533,948	13,464,048	13,735,538	12,292,583	6,506,704	6,585,323	7,949,467	9,244,379	9,761,511	7,798,462
<b>Percentage of Debt Limit</b>	<b>38.98%</b>	<b>33.18%</b>	<b>30.77%</b>	<b>30.91%</b>	<b>60.22%</b>	<b>57.50%</b>	<b>49.04%</b>	<b>40.66%</b>	<b>33.74%</b>	<b>48.25%</b>
<b><u>Redevelopment District</u></b>										
Debt Limit (I)	\$18,901,773	\$20,149,048	\$19,840,538	\$17,792,583	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462
Total Net Debt Applicable To Limit	5,850,000	5,580,000	5,300,000	5,010,000	4,715,000	4,085,000	4,085,001	3,405,000	3,010,000	2,615,000
Debt Margin	13,051,773	14,569,048	14,540,538	12,782,583	11,641,704	11,410,323	11,514,466	12,174,379	11,721,511	12,453,462
<b>Percentage of Debt Limit</b>	<b>30.95%</b>	<b>27.69%</b>	<b>26.71%</b>	<b>28.16%</b>	<b>28.83%</b>	<b>26.36%</b>	<b>26.19%</b>	<b>21.86%</b>	<b>20.43%</b>	<b>17.35%</b>

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

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

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population	Debt Per Capita	South Bend Estimated Personal Income	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
2006	\$ -	\$ 82,445,000	\$ 27,337,124	\$ 11,758,552	\$ 3,533,187	\$ 44,345,000	\$ 972,315	\$ 19,258,433	\$ 1,523,594	\$ 191,173,205	104,457	\$ 1,830	\$ 3,450,632,538	5.54%
2007	-	78,570,000	25,957,839	7,900,658	7,695,487	73,145,000	926,805	18,380,491	1,127,394	213,703,674	104,069	2,053	3,511,183,991	6.09%
2008	-	115,240,000	24,534,464	9,543,790	7,388,443	67,535,000	878,835	17,031,649	628,427	242,780,608	104,905	2,314	3,709,126,085	6.55%
2009	-	113,975,000	23,061,148	8,470,308	6,214,206	68,225,000	829,020	16,145,358	893,233	237,813,273	106,192	2,229	3,679,658,992	6.46%
2010	-	111,510,000	21,117,295	6,323,199	5,299,341	72,655,000	717,705	16,755,369	799,402	235,177,311	101,168	2,325	3,505,572,368	6.71%
2011	-	101,472,431	19,724,490	4,431,871	7,510,749	88,655,000	660,510	15,542,372	1,077,642	239,075,065	101,168	2,363	3,371,120,096	7.09%
2012	-	96,410,000	17,883,530	4,953,639	8,336,120	117,650,000	601,470	13,848,901	3,641,362	263,325,022	101,168	2,603	3,371,120,096	7.81%
2013	-	90,172,826	23,079,781	3,030,554	8,777,238	118,121,963	546,973	4,121,010	3,831,933	251,682,278	101,168	2,488	3,371,120,096	7.47%
2014	-	84,862,512	21,331,548	1,617,491	8,481,375	111,209,874	480,604	3,794,664	3,307,802	235,085,870	101,168	2,324	3,371,120,096	6.97%
2015	-	107,815,890	13,904,973	4,831,752	8,491,407	102,871,921	5,851,565	3,458,899	4,411,042	251,637,449	101,168	2,487	4,037,513,712	6.23%
<b>Percent of Total Debt</b>	<b>0.00%</b>	<b>42.85%</b>	<b>5.53%</b>	<b>1.92%</b>	<b>3.37%</b>	<b>40.88%</b>	<b>2.33%</b>	<b>1.37%</b>	<b>1.75%</b>	<b>100.00%</b>				

Sources: City of South Bend Comprehensive Annual Financial Reports  
Population statistics obtained from the U.S. Census Bureau.  
City of South Bend estimated personal income is computed as estimated City population x 2014 South Bend Metro Area Per Capita Income (see Demographic Statistics)



# City of South Bend

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

	<u>Gross Debt</u>	<u>Percentage Applicable to South Bend</u>	<u>Amount Applicable to South Bend</u>	<u>Debt Per Capita</u>	<u>Ratio of Debt/ Net Assessed Value</u>	<u>Ratio of Debt/ Personal Income</u>
<b>Direct Debt:</b>						
<b>City of South Bend</b>						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 107,815,890	100.00 %	\$ 107,815,890			
Mortgage Bonds - Governmental Activities	13,904,973	100.00	13,904,973			
Notes Payable - Governmental Activities	4,831,752	100.00	4,831,752			
Capital Leases - Governmental Activities	8,491,407	100.00	8,491,407			
<b>Total Direct Debt and Lease Obligation Debt</b>			<b><u>\$ 135,044,022</u></b>	<b><u>\$ 1,335</u></b>	<b><u>5.97 %</u></b>	<b><u>3.34 %</u></b>
<b>Overlapping Debt (1)</b>						
South Bend Community School Corporation	\$ 153,498,692	53.34 %	\$ 81,876,202			
St. Joseph County Public Library	6,925,000	50.03	3,464,578			
St. Joseph County Airport Authority	11,770,000	28.63	3,369,751			
St. Joseph County	14,535,000	28.63	4,161,371			
Penn-Harris-Madison School Corporation	49,730,365	2.71	1,347,693			
Mishawaka-Penn-Harris Public Library	2,425,000	2.18	52,865			
German Township	340,000	60.58	205,972			
Penn Township	645,000	3.29	21,221			
<b>Total Overlapping and Underlying Direct Debt and Lease Obligations</b>			<b><u>\$ 94,499,652</u></b>	<b><u>\$ 934</u></b>	<b><u>4.18 %</u></b>	<b><u>2.34 %</u></b>
<b>Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations</b>			<b><u>\$ 229,543,674</u></b>	<b><u>\$ 2,269</u></b>	<b><u>10.16 %</u></b>	<b><u>5.69 %</u></b>
<b>Ratio Factors</b>						
Net Assessed Valuation (2014 payable 2015)	2,260,269,318					
Population - 2010 US Census Bureau	101,168 (2)					
South Bend Metropolitan Area 2014 Per Capita Income	39,909 (3)					
Estimated South Bend Total Personal Income (2 x 3)	4,037,513,712					

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

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

(3) South Bend-Mishawaka, IN Metropolitan Area Profile ([www.bea.gov](http://www.bea.gov)). Lastest information available.

# City of South Bend

## Statistical Section

### Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt To Total Governmental Fund Expenditures Last Ten Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
2006	\$ 320,000	\$ 8,160	\$ 328,160	\$ 129,527,536	0.25%
2007	-	-	-	128,209,220	0.00%
2008	-	-	-	138,022,795	0.00%
2009	-	-	-	142,962,710	0.00%
2010	-	-	-	150,758,014	0.00%
2011	-	-	-	172,397,679	0.00%
2012	-	-	-	162,460,000	0.00%
2013	-	-	-	152,889,475	0.00%
2014	-	-	-	154,300,097	0.00%
2015	-	-	-	172,658,733	0.00%

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

Source - City of South Bend Comprehensive Annual Financial Reports

# City of South Bend

## Statistical Section

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

Tax Year/ Collection Year	Population (1)	Net Assessed Value	Gross General Obligation Bonded Debt	Debt Service Monies Available	Net General Obligation Bonded Debt	Percent of Net GO Bonded Debt To Net Assessed Value	Net GO Bonded Debt Per Capita
2005/2006	104,457	\$ 2,835,265,890	\$ -	\$ -	\$ -	0.00%	\$ -
2006/2007	104,069	3,022,157,147	-	-	-	0.00%	0.00
2007/2008	104,905	2,976,080,798	-	-	-	0.00%	0.00
2008/2009	106,192	2,668,887,419	-	-	-	0.00%	0.00
2009/2010	101,168	2,453,505,573	-	-	-	0.00%	0.00
2010/2011	101,168	2,324,451,862	-	-	-	0.00%	0.00
2011/2012	101,168	2,380,874,608	-	-	-	0.00%	0.00
2012/2013	101,168	2,371,087,697	-	-	-	0.00%	0.00
2013/2014	101,168	2,209,726,672	-	-	-	0.00%	0.00
2014/2015	101,168	2,260,269,318	-	-	-	0.00%	0.00

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

**Statistical Section**

**St. Joseph County Hotel/Motel Tax Board**

**Statement of Estimated Cash Flow and Debt Service Coverage**

Year	Projected Hotel/Motel Tax Revenues	2011 B Century Center Refunding Bonds (1)	2013 Century Center Refunding Bonds	2015 Century Center Energy Conservation Bonds	Total Annual Debt Service	Estimated Excess Funds	Estimated Coverage
2016	\$ 4,750,000	\$ 150,000	\$ 396,000	\$ 22,585	\$ 568,585	\$ 4,181,415	835%
2017	4,797,500	150,000	394,000	46,606	590,606	4,206,894	812%
2018	4,845,475	-	395,000	162,702	557,702	4,287,773	869%
2019	4,893,930	-	396,500	280,090	676,590	4,217,340	723%
2020	4,942,869	-	397,000	285,614	682,614	4,260,255	724%
2021	4,992,298	-	396,500	291,274	687,774	4,304,524	726%
2022	5,042,221	-	395,000	297,175	692,175	4,350,046	728%
2023	5,092,643	-	394,500	303,221	697,721	4,394,922	730%
2024	5,143,569	-	396,000	309,315	705,315	4,438,254	729%
2025	5,195,005	-	283,500	315,561	599,061	4,595,944	867%
2026	5,246,955	-	84,500	321,964	406,464	4,840,491	1291%
2027	5,299,425	-	-	328,529	328,529	4,970,896	1613%
2028	5,352,419	-	-	335,259	335,259	5,017,160	1597%
2029	5,405,943	-	-	342,159	342,159	5,063,784	1580%
2030	5,460,003	-	-	349,334	349,334	5,110,669	1563%
2031	<u>5,514,603</u>	-	-	<u>176,508</u>	<u>176,508</u>	<u>5,338,095</u>	3124%
Total	<u>\$ 81,974,856</u>	<u>\$ 300,000</u>	<u>\$ 3,928,500</u>	<u>\$ 4,167,896</u>	<u>\$ 8,396,396</u>	<u>\$ 73,578,460</u>	976%

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

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

# City of South Bend

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

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
2006	\$ 13,166,166	\$ 7,369,035	\$ 5,797,131	\$ 2,485,622	\$ 1,042,309	\$ 3,527,931	164%
2007	13,748,213	8,296,075	5,452,138	2,764,265	1,015,524	3,779,789	144%
2008	13,343,210	8,528,933	4,814,277	2,908,014	888,199	3,796,213	127%
2009	13,471,890	8,838,405	4,633,485	2,481,871	754,108	3,235,979	143%
2010	13,513,995	8,560,390	4,953,605	2,605,840	937,293	3,543,133	140%
2011	14,032,074	9,301,552	4,730,522	2,729,925	823,265	3,553,190	133%
2012	14,190,243	9,021,274	5,168,969	821,847	823,944	1,645,791	314%
2013	13,783,701	10,665,913	3,117,788	1,241,768	809,673	2,051,441	152%
2014	14,373,176	10,105,709	4,267,467	1,251,588	769,025	2,020,613	211%
2015	14,204,285	10,651,321	3,552,964	1,319,285	732,394	2,051,679	173%

(1) Operating expenses exclude depreciation.

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

Source - City of South Bend Comprehensive Annual Financial Report.

# City of South Bend

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

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
2006	\$ 18,058,615	\$ 9,650,301	\$ 8,408,314	\$ 2,481,626	\$ 1,273,423	\$ 3,755,049	224%
2007	20,685,490	10,389,691	10,295,799	2,863,218	1,364,272	4,227,490	244%
2008 (2)	22,941,734	14,079,734	8,862,000	3,701,524	2,647,324	6,348,848	140%
2009	24,313,147	17,504,825	6,808,322	3,130,000	2,557,940	5,687,940	120%
2010	25,444,404	12,193,363	13,251,041	3,385,205	2,314,275	5,699,480	232%
2011	29,023,547	14,869,660	14,153,887	3,867,584	2,737,027	6,604,611	214%
2012	30,963,483	13,777,728	17,185,755	4,736,450	3,489,057	8,225,507	209%
2013	31,926,078	11,526,554	20,399,524	5,080,425	3,354,156	8,434,581	242%
2014	34,009,117	14,313,967	19,695,150	6,320,626	3,376,045	9,696,671	203%
2015 (3)	36,635,501	13,557,598	23,077,903	4,691,336	3,419,351	8,110,687	285%

(1) Operating expenses exclude depreciation.

(2) Two large Sewage Works revenue bonds were issued during 2007 with principal and interests payments beginning in 2008. These bonds are part of the City of South Bend's long term combined sewer overflow (CSO) control plan.

(3) Sewer bonds were refunded in 2015 and the principal repayments are no included in the 2015 principal total.

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

Source - City of South Bend Comprehensive Annual Financial Report

# City of South Bend

## Statistical Section Municipal Sewage Works

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capacity (MGD)	48	48	48	48	48	48	48	48	48	48
Average Daily Flow	31.67	32.45	37.80	38.42	30.86	35.80	31.77	30.69	32.00	30.20
Peak Flow	50.70	60.30	75.00	68.80	62.00	72.50	63.70	62.50	68.50	57.70
Annual Flow (MG)	11,559	11,845	13,835	14,024	11,264	13,068	11,596	11,203	11,677	11,023

### Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
2006	39,124
2007	37,018
2008	38,282
2009	36,664
2010	38,455
2011	39,027
2012	39,068
2013	39,322
2014	39,461
2015	39,763

Source: City of South Bend Environmental Services Department

# City of South Bend

## Statistical Section Statement of City-Owned Utility Debt December 31, 2015

### South Bend Municipal Sewage Works

Sewage Works Revenue Bonds of 2010	\$ 7,530,000
Sewage Works Revenue Bonds of 2011	18,175,000
Sewage Works Revenue Bonds of 2012	21,935,000
Sewage Works Revenue Bonds of 2013 A	9,970,000
Sewage Works Refunding Revenue Bonds of 2015	27,440,000
Total Sewage Utility Debt	<u>\$ 85,050,000</u>

### South Bend Municipal Waterworks

Waterworks Revenue Bonds of 2000	
State Revolving Fund (SRF) Loan	\$ 698,431
Waterworks Revenue Bonds of 2006	3,090,000
Waterworks Revenue Bonds of 2009, Series A	
State Revolving Fund (SRF) Loan	352,793
Waterworks Revenue Bonds of 2009, Series B	
Indiana Bond Bank	4,555,000
Waterworks Revenue Bonds of 2012	2,745,000
Waterworks Revenue Refunding Bonds of 2012, Series B	7,275,000
Total Water Utility Debt	<u>\$ 18,716,224</u>

Total Utility Debt \$ 103,766,224

**Source: City of South Bend Finance Administration**

# City of South Bend

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## Statistical Section Estimated Debt Service Coverage Calculation of Sewage Works December 31, 2015

Operating Revenues	\$ 35,635,501
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(13,557,598)</u>
Net Revenues Available for Debt Service	22,077,903
Estimated Combined Annual Debt Service	<u>8,110,687</u>
Coverage - \$	<u>\$ 13,967,216</u>
Coverage - %	<u>272%</u>

# City of South Bend

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## Statistical Section Estimated Debt Service Coverage Calculation of Water Utility December 31, 2015

Operating Revenues	\$ 14,204,285
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(10,651,321)</u>
Net Revenues Available for Debt Service	3,552,964
Estimated Combined Maximum Annual Debt Service	<u>2,051,679</u>
Coverage - \$	<u>\$ 1,501,285</u>
Coverage - %	<u>173%</u>

# City of South Bend

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

Year of Collection	St. Joseph County Projected Distribution	Projected COIT	Projected COIT Amount Available For Debt Service
2016	\$ 26,435,155	33.52% (1)	\$ 8,859,912
2017	26,699,507	33.52%	8,949,675
2018	26,966,502	33.52%	9,039,171
2019	27,236,167	33.52%	9,129,563
2020	27,508,528	33.52%	9,220,859
2021	27,783,614	33.52%	9,313,067
2022	28,061,450	33.52%	9,406,198
2023	28,342,064	33.52%	9,500,260
2024	28,625,485	33.52%	9,595,263
2025	28,911,740	33.52%	9,691,215
Total			<u>\$ 92,705,182</u>

(1) Kept constant based on 2016.

Source: Department of Local Government Finance (DLGF)

# City of South Bend

**Statistical Section**  
**Projected City of South Bend CEDIT Revenues**  
**.4% CEDIT Tax Rate**  
**Levy is used to Distribute CEDIT**

Year of Collection	St. Joseph County Projected Distribution	Projected CEDIT	Projected CEDIT Amount Available For Debt Service
2016	\$ 23,081,049	39.78% (1)	\$ 9,181,641
2017	23,311,859	39.78%	9,273,458
2018	23,544,978	39.78%	9,366,192
2019	23,780,428	39.78%	9,459,854
2020	24,018,232	39.78%	9,554,453
2021	24,258,414	39.78%	9,649,997
2022	24,500,999	39.78%	9,746,497
2023	24,746,009	39.78%	9,843,962
2024	24,993,469	39.78%	9,942,402
2025	25,243,403	39.78%	10,041,826
Total			<u>\$ 96,060,283</u>

(1) Kept constant based on 2016.

Source: Department of Local Government Finance (DLGF)

# City of South Bend

## Statistical Section

### Statement of Estimated Cash Flow and Debt Service Coverage (COIT)

Year	Projected City of South Bend COIT Revenues	Redevelopment District Taxable Revenue Bonds, Series 2010	COIT Lease Rental Revenue Refunding Bonds of 2010 Lease Payments	First Mortgage Revenue Refunding Bonds, Series 2012 Lease Payments	First Mortgage Revenue Bonds Series 2013 Lease Payments	Total Lease Payments	Estimated Excess Funds	Estimated Coverage
2016	\$ 8,859,912	\$ 732,604	\$ 673,000	\$ 1,572,000	\$ 404,155	\$ 3,381,759	\$ 5,478,153	262%
2017	8,949,675	720,905	675,000	1,570,000	402,480	3,368,385	5,581,290	266%
2018	9,039,171	706,650	675,000	1,564,000	395,730	3,341,380	5,697,791	271%
2019	9,129,563	-	673,000	1,562,000	398,830	2,633,830	6,495,733	347%
2020	9,220,859	-	678,000	1,567,000	396,705	2,641,705	6,579,154	349%
2021	9,313,067	-	-	1,567,000	399,355	1,966,355	7,346,712	474%
2022	9,406,198	-	-	1,563,000	396,780	1,959,780	7,446,418	480%
2023	9,500,260	-	-	1,563,000	398,980	1,961,980	7,538,280	484%
2024	9,595,263	-	-	-	406,543	406,543	9,188,720	2360%
2025	9,691,215	-	-	-	411,493	411,493	9,279,722	2355%
2026	9,788,127	-	-	-	410,643	410,643	9,377,484	2384%
2027	9,886,009	-	-	-	414,149	414,149	9,471,860	2387%
2028	9,984,869	-	-	-	421,605	421,605	9,563,264	2368%
2029	10,084,717	-	-	-	422,742	422,742	9,661,975	2386%
2030	10,185,565	-	-	-	422,742	422,742	9,762,823	2409%
2031	10,287,420	-	-	-	427,550	427,550	9,859,870	2406%
2032	10,390,294	-	-	-	431,254	431,254	9,959,040	2409%
2033	10,494,197	-	-	-	433,925	433,925	10,060,272	2418%
2033	10,599,139	-	-	-	433,925	433,925	10,165,214	2443%
<b>Total</b>	<b>\$ 184,405,520</b>	<b>\$ 2,160,159</b>	<b>\$ 3,374,000</b>	<b>\$ 12,528,000</b>	<b>\$ 7,829,586</b>	<b>\$ 25,891,745</b>	<b>\$ 158,513,775</b>	<b>712%</b>

Source: City of South Bend Finance Department

# City of South Bend

## Statistical Section

### Statement of Estimated Cash Flow and Debt Service Coverage (CEDIT)

Year	Projected City of South Bend CEDIT Revenues	2006 CEDIT Refunding Bonds	2014 St. Joseph County PSAP Revenue Bond	2015 Parks/CEDIT Bond	Total Lease Payments	Estimated Excess Funds	Estimated Coverage
2016	\$ 9,181,641	\$ 884,030	\$ -	\$ 380,106	\$ 1,264,136	\$ 7,917,505	726%
2017	9,273,458	439,933	183,437	390,482	1,013,851	8,259,606	915%
2018	9,366,192	-	198,966	379,107	578,073	8,788,119	1620%
2019	9,459,854	-	199,242	382,732	581,974	8,877,880	1625%
2020	9,554,453	-	199,460	381,132	580,592	8,973,861	1646%
2021	9,649,997	-	199,271	374,382	573,653	9,076,344	1682%
2022	9,746,497	-	199,423	372,557	571,980	9,174,517	1704%
2023	9,843,962	-	199,423	375,582	575,005	9,268,957	1712%
2024	9,942,402	-	199,314	368,382	567,696	9,374,705	1751%
2025	10,041,826	-	154,405	381,032	535,437	9,506,389	1875%
2026	10,142,244	-	155,363	373,232	528,595	9,613,649	1919%
2027	10,243,667	-	154,724	375,357	530,081	9,713,586	1932%
2028	10,346,103	-	155,298	377,182	532,480	9,813,623	1943%
2029	10,449,564	-	154,128	383,616	537,744	9,911,820	1943%
2030	10,554,060	-	154,172	384,038	538,210	10,015,850	1961%
2031	10,659,600	-	154,051	388,463	542,514	10,117,086	1965%
2032	10,766,197	-	153,630	387,176	540,806	10,225,390	1991%
2033	10,873,858	-	153,038	389,813	542,851	10,331,007	2003%
2034	10,982,597	-	153,582	391,781	545,363	10,437,234	2014%
2035	11,092,423	-	-	593,094	593,094	10,499,329	1870%
<b>Total</b>	<b>\$ 202,170,596</b>	<b>\$ 1,323,963</b>	<b>\$ 3,120,929</b>	<b>\$ 7,829,246</b>	<b>\$ 12,274,138</b>	<b>\$ 189,896,459</b>	<b>1647%</b>

Source: City of South Bend Finance Department

# City of South Bend

## Statistical Section Estimated Tax Increment Revenues Erskine Village Project

<u>Tax Year / Collection Year</u>	<u>Estimated Tax Increment (1)</u>	<u>12/13 Net Tax Rate (2)</u>	<u>Estimated Tax Increment Revenue</u>
2012/2013	\$ 1,311,129	\$ 3.6197	\$ 1,311,129
2013/2014	\$ 9,175	\$ -	\$ 9,175
2014/2015	\$ 19,183	\$ -	\$ 19,183

- (1) The City passed back incremental assessed value for payable year 2013. The City will make a yearly decision on the passback of incremental assessed value. The Redevelopment Commission released TIF for 2013 pay 2014.

Source: City of South Bend Finance Department

## **Demographic and Economic Information**

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

# City of South Bend

## Statistical Section Demographic Statistics Last Ten Years

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

### Sources:

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

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

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

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

# City of South Bend

## Statistical Section Demographic Statistics (Continued) Last Ten Years

Year	December South Bend Metropolitan Area Labor Force (I)	Percent Increase/ (Decrease)	December South Bend Metropolitan Area Unemployment (I)	Percent Increase/ (Decrease)	December South Bend Metropolitan Unemployment Rate (I)
2006	134,651	0.5%	6,501	-6.5%	4.8%
2007	132,693	-1.5%	6,291	-3.2%	4.7%
2008	133,433	0.6%	12,476	98.3%	9.4%
2009	123,792	-7.2%	13,474	8.0%	10.9%
2010	125,853	1.7%	12,648	-6.1%	10.0%
2011	129,438	2.8%	12,366	-2.2%	9.6%
2012	124,968	-3.5%	12,108	-2.1%	9.7%
2013	124,145	-0.7%	9,211	-23.9%	7.4%
2014	125,693	1.2%	8,017	-13.0%	6.4%
2015	130,912	4.2%	6,538	-18.4%	5.0%

**Source:**

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

## Statistical Section Employment by Type and Industry Last Ten Years

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 **
<b>Total employment</b>	<b>173,180</b>	<b>173,782</b>	<b>174,814</b>	<b>172,488</b>	<b>163,879</b>	<b>162,658</b>	<b>165,560</b>	<b>164,605</b>	<b>164,832</b>	<b>166,972</b>
<b>By Type</b>										
Wage and salary employment	147,110	147,207	147,123	144,979	135,940	134,905	137,218	136,839	136,543	138,653
Proprietors employment	26,070	26,575	27,691	27,509	27,939	27,753	28,342	27,766	28,289	28,319
Farm proprietors employment	1,391	1,332	1,350	1,333	1,330	1,339	1,340	1,294	1,292	1,303
Nonfarm proprietors employment	24,679	25,243	26,341	26,176	26,609	26,414	27,002	26,472	26,997	27,016
<b>By Industry</b>										
<b>Farm employment</b>	<b>2,065</b>	<b>1,961</b>	<b>1,966</b>	<b>1,841</b>	<b>1,866</b>	<b>1,883</b>	<b>1,977</b>	<b>1,909</b>	<b>1,943</b>	<b>1,686</b>
<b>Nonfarm employment</b>	<b>171,115</b>	<b>171,821</b>	<b>172,848</b>	<b>170,647</b>	<b>162,013</b>	<b>160,775</b>	<b>163,583</b>	<b>162,696</b>	<b>162,889</b>	<b>165,286</b>
Private nonfarm employment	152,969	153,648	154,753	152,421	143,674	142,492	145,406	145,406	146,107	148,724
Forestry, fishing, and related activities	(D)	(D)	181	(D)	(D)	236	260	295	288	(D)
Mining	(D)	57	56	99	103	183	156	192	206	(D)
Utilities	(D)									
Construction	9,524	9,311	9,053	9,079	7,813	6,816	6,805	6,535	6,780	6,797
Manufacturing	21,917	20,962	20,376	19,328	16,503	16,266	17,601	17,650	17,120	17,619
Wholesale trade	7,991	8,320	8,147	7,921	7,015	7,122	7,225	7,078	6,880	7,035
Retail trade	20,078	20,001	20,050	19,011	17,946	17,498	17,654	17,472	17,413	17,563
Transportation and warehousing	(D)	(D)	(D)	(D)	(D)	4,139	(D)	(D)	(D)	(D)
Information	2,679	2,648	2,641	2,525	(D)	2,165	2,029	2,049	2,221	2,201
Finance and insurance	6,513	6,744	6,873	6,945	6,874	6,692	6,894	6,673	6,142	6,091
Real estate and rental and leasing	5,633	5,603	5,709	5,542	5,188	4,936	5,088	4,883	4,980	5,050
Professional, scientific, and technical services	7,238	7,558	7,784	7,736	7,713	7,627	7,573	7,495	7,997	7,950
Management of companies and enterprises	902	924	1,113	1,235	1,256	(D)	(D)	1,484	2,130	2,234
Administrative and waste management services	8,254	8,892	9,419	8,973	7,967	8,413	8,283	7,843	7,641	8,079
Educational services	12,645	12,677	12,870	13,251	13,055	13,169	13,730	14,096	(D)	(D)
Health care and social assistance	18,427	19,690	20,072	20,259	20,818	20,239	21,208	21,854	(D)	(D)
Arts, entertainment, and recreation	2,674	2,777	2,850	2,809	2,603	2,577	2,743	2,716	2,796	2,687
Accommodation and food services	11,329	11,343	11,335	11,627	10,925	11,010	11,557	11,795	12,157	12,359
Other services, except public administration	10,100	10,118	10,296	10,118	(D)	9,704	10,001	10,039	10,101	10,315
<b>Government and government enterprises</b>	<b>18,146</b>	<b>18,173</b>	<b>18,095</b>	<b>18,226</b>	<b>18,339</b>	<b>18,283</b>	<b>18,177</b>	<b>17,290</b>	<b>16,782</b>	<b>16,562</b>
Federal, civilian	1,251	1,243	1,236	1,223	1,241	1,265	1,091	1,071	1,009	962
Military	947	1,019	995	1,003	1,013	1,003	1,043	1,007	990	1,009
State and local	15,948	15,911	15,864	16,000	16,085	16,015	16,043	15,212	14,783	14,591
State government	3,055	3,108	<u>3,069</u>	3,188	3,350	3,434	3,535	3,457	3,265	3,036
Local government	12,893	12,803	12,795	12,812	12,735	12,581	12,508	11,755	11,518	11,555

Source: Bureau of Local Economic Analysis ([www.bea.gov](http://www.bea.gov))

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

\*\* 2014 is the most recent year available as of the date of publication of this information.

# City of South Bend

## Statistical Section

### Comparison Growth Rates in Personal Income for St. Joseph County The State of Indiana and U.S. Personal Income Last Ten Years

Calendar Year	Amount in Millions		Amount in Billions	Annual Percentage Increase		
	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income
2006	\$ 8,958	\$ 203,502	\$ 10,968	4.59%	5.25%	6.65%
2007	8,978	204,877	11,074	0.22%	0.68%	0.97%
2008	9,396	210,447	11,634	4.66%	2.72%	5.06%
2009	9,466	220,670	12,225	0.74%	4.86%	5.08%
2010	9,289	218,527	12,168	-1.87%	-0.97%	-0.47%
2011	9,678	232,586	12,949	4.19%	6.43%	6.42%
2012	10,162	249,198	13,729	5.00%	7.14%	6.02%
2013	10,132	253,779	14,211	-0.30%	1.84%	3.51%
2014	12,740	253,779	13,977	25.74%	0.00%	-1.65%
2015 *	12,740	275,348	15,545	0.00%	8.50%	11.22%
<b>Average Annual Growth - Most Recent 5 Years</b>				<b>6.93%</b>	<b>4.78%</b>	<b>5.10%</b>
<b>Average Annual Growth - Most Recent 10 Years</b>				<b>4.28%</b>	<b>3.71%</b>	<b>4.57%</b>

**Source**

Bureau of Economic Analysis US Department of Commerce Bearfacts ([www.bea.gov](http://www.bea.gov))

\* 2015 information not available for St. Joseph County.

# City of South Bend

## Statistical Section Principal Employers - Current and Nine Years Ago December 31, 2015

Employer	Type of Business	2015			2006		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
Beacon Health System	Health Care	6,913	5.66 %	1	3,600	2.67 %	2
University of Notre Dame	College/University	5,590	4.58	2	4,200	3.11	1
South Bend Community School Corp	Public Schools	2,880	2.36	3	3,338	2.47	3
AM General Corporation	Manufacturing/Assembly	2,858	2.34	4	2,292	1.70	5
Trinity Health/St. Joseph Regional Medical Center	Health Care	2,597	2.13	5			
Honeywell Aerospace	Aerospace Manufacturing	1,499	1.23	6			
Indiana University South Bend	College/University	1,445	1.18	7	1,400	1.04	8
City of South Bend	Government	1,098	0.90	8	1,288	0.95	9
St. Joseph County	Government	1,068	0.87	9	2,025	1.50	6
Schurz Communication, Inc.	News and Information	1,000	0.82	10			
The Diocese of Fort Wayne/South Bend	Parochial Schools				1,750	1.30	7
Madison Center	Health Care				1,239	0.92	10
<b>Total Number of Employees</b>		<b>26,948</b>	<b>22.08 %</b>		<b>17,532</b>	<b>13.00 %</b>	
<b>Total Employees - South Bend Metropolitan Area Labor Force</b>		<b>122,074</b>	<b>100.00 %</b>		<b>134,889</b>	<b>100.00 %</b>	

**Source:**

St. Joseph County Chamber of Commerce 2015 Economic Profile

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

## **Operating Information**

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

# City of South Bend

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

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Physical arrests	5,932	4,589	4,091	3,785	3,077	3,626	3,174	2,959	2,608	2,483
Parking violations	515	1,820	1,672	1,479	979	904	1,051	1,019	299	691
Traffic violations	16,583	1,626	5,901	11,746	14,163	4,236	7,561	2,180	1,487	4,327
Fire										
Emergency responses	14,297	14,822	15,123	14,341	15,578	15,408	15,720	15,865	15,902	15,340
Fires extinguished	227	279	264	264	225	251	214	220	227	213
Inspections	4,875	4,302	4,467	4,205	4,233	3,553	3,325	2,273	3,133	3,778
Refuse collection										
Refuse collected (tons per day) (1)	269	267	137	70	120	123	128	122	128	149
Other public works										
Street resurfacing (miles)	15.00	16.50	14.70	14.50	20.30	18.10	16.90	21.00	22.00	17.10
Potholes repaired (tonnage)	239.88	923.00	898.00	629.22	380.00	332.32	117.21	691.00	826.25	526.05
Parks and recreation										
Athletic field permits issued	700	1,000	738	700	381	227	133	93	120	113
Fitness Center Admissions	61,452	63,088	70,193	74,438	60,118	67,408	61,002	63,671	67,428	64,547
Water										
New billable housing starts	471	321	299	194	179	144	160	242	141	108
Water mains breaks	54	105	72	87	76	60	66	80	134	99
Average daily consumption (thousands of gallons)	17,704	19,042	18,280	16,100	15,955	15,600	16,600	15,300	11,000	14,500
Wastewater										
Average daily sewage treatment (thousands of gallons)	32,800	35,970	37,800	41,200	30,861	35,800	31,770	30,690	31,991	30,200

Sources: Various city departments

(1) 2007 and prior years were in cubic yards

# City of South Bend

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

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	25	25	19	19	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	11
Training Center	0	0	0	0	0	0	0	0	1	1
Rescue units	31	32	32	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	22	22	22	21	23	23	19	19	19	19
Other public works										
Streets (miles)	500	500	500	532	532	499	525	525	525	525
Streetlights	1,060	1,170	1,242	2,500	2,500	2,500	2,700	2,700	3,000	3,015
Traffic signals	167	160	160	162	162	164	165	167	162	158
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292
Playgrounds	47	47	47	47	47	47	47	47	47	47
Baseball/softball diamonds	26	27	27	27	27	27	27	27	27	27
Soccer/football fields	17	17	17	17	17	17	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community center	5	5	5	5	5	5	5	5	3	3
Water										
Water mains (miles)	553	558	560	560	580	582	583	584	583	583
Fire hydrants	5,013	4,000	5,081	5,317	5,345	5,377	5,401	5,436	5,448	5,439
Storage capacity (thousands of gallons)	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Wastewater										
Sanitary sewers ( miles)	540	540	540	534	534	534	528	526	527	527
Storm sewers (miles)	200	200	200	200	127	127	133	133	133	133
Treatment capacity (thousands of gallons)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000

Sources: Various city departments

# City of South Bend

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

Year	Residential Number of Permits	Residential Value (in 000's)	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)	Total Value (in 000's)	Total Value Increase/ (Decrease)
2006	102	17,241	21	36,749	2,282	34,836	2	7,927	96,753	-2.4%
2007	103	18,314	28	27,082	1,907	28,720	5	6,612	80,728	-16.6%
2008	55	10,032	15	44,678	1,662	29,685	1	2,416	86,811	7.5%
2009	48	8,467	10	29,451	1,627	28,785	-	-	66,703	-23.2%
2010	35	7,450	5	28,283	1,221	25,998	-	-	61,731	-7.5%
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	-36.3%
2012	45	9,827	11	21,247	-	-	2	2,291	33,365	-15.2%
2013	50	15,136	8	4,954	-	-	1	160	20,250	-39.3%
2014	51	13,101	12	10,392	-	-	-	-	23,493	-29.6%
2015 (1)	77	18,615	70	415,219	-	-	6	28,460	462,294	2182.9%

Source - Consolidated City/County Building Department

(1) - Increase in commercial construction due to major construction taking place at the University of Notre Dame.

# City of South Bend

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

<u>Department</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
Mayor's Office	10.00	10.00	9.00	8.00	7.00	7.00	6.00	6.00	7.00	7.00
City Clerk's Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Common Council (elected officials, part-time)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Administration and Finance	32.00	31.00	29.00	26.00	26.00	27.00	22.00	20.00	21.00	18.00
Legal Department	15.00	15.00	15.00	9.00	9.00	9.00	9.00	10.00	10.00	12.00
Engineering	19.00	18.50	18.50	16.00	19.00	17.00	15.00	13.00	14.00	16.00
311 Call Center	-	-	-	-	-	-	-	5.00	7.00	7.00
Safety and Risk	-	-	-	-	-	-	3.00	3.00	3.00	2.00
Human Rights	-	-	-	-	-	-	6.00	6.00	6.00	6.00
<b>Public Safety</b>										
Police Department	317.00	320.00	317.00	279.00	293.00	293.00	291.00	291.00	295.00	300.00
Communication Center	31.00	30.00	30.00	37.00	38.00	35.00	35.00	33.00	34.00	0.00
Fire Department	255.00	254.00	254.00	246.00	255.00	258.00	249.00	255.00	257.00	259.00
Building Maintenance	7.00	7.00	7.00	4.00	3.00	3.00	-	-	-	-
<b>Culture and Recreation</b>										
Parks and Recreation (2)	122.00	122.00	121.00	111.00	113.00	114.00	114.00	113.00	87.00	88.00
Convention and Events Management (1)	49.00	16.00	15.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00
<b>Economic Development</b>										
Department of Community Investment	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00
<b>Highways and Streets</b>										
Street Department	66.00	54.00	54.00	51.00	52.00	56.00	52.00	60.00	59.00	53.00
Traffic & Lighting	11.00	11.00	11.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Enterprise Funds</b>										
Water Works	86.00	86.00	80.00	82.00	75.00	74.00	73.00	70.00	68.00	67.00
Wastewater	53.00	54.50	56.50	48.00	51.00	49.00	46.00	45.00	42.00	43.00
Organic Resources (formerly in Wastewater)	-	-	-	-	-	-	6.00	6.00	6.00	6.00
Sewer	29.00	28.00	28.00	33.00	35.00	36.00	39.00	34.00	33.00	30.00
Solid Waste	31.00	26.00	26.00	26.00	26.00	23.00	24.00	26.00	22.00	21.00
Building Department	22.00	22.00	22.00	15.00	13.00	13.00	13.00	14.00	13.00	13.00
Code Enforcement (formerly General Gov't)	28.00	27.00	27.00	27.00	23.00	25.00	25.00	24.00	23.00	23.00
<b>Internal Service Fund</b>										
Central Services	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00
<b>Total Positions</b>	<b>1,288.00</b>	<b>1,230.00</b>	<b>1,213.00</b>	<b>1,116.00</b>	<b>1,132.00</b>	<b>1,133.00</b>	<b>1,122.00</b>	<b>1,131.00</b>	<b>1,098.00</b>	<b>1,060.00</b>

# City of South Bend

## Statistical Section

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

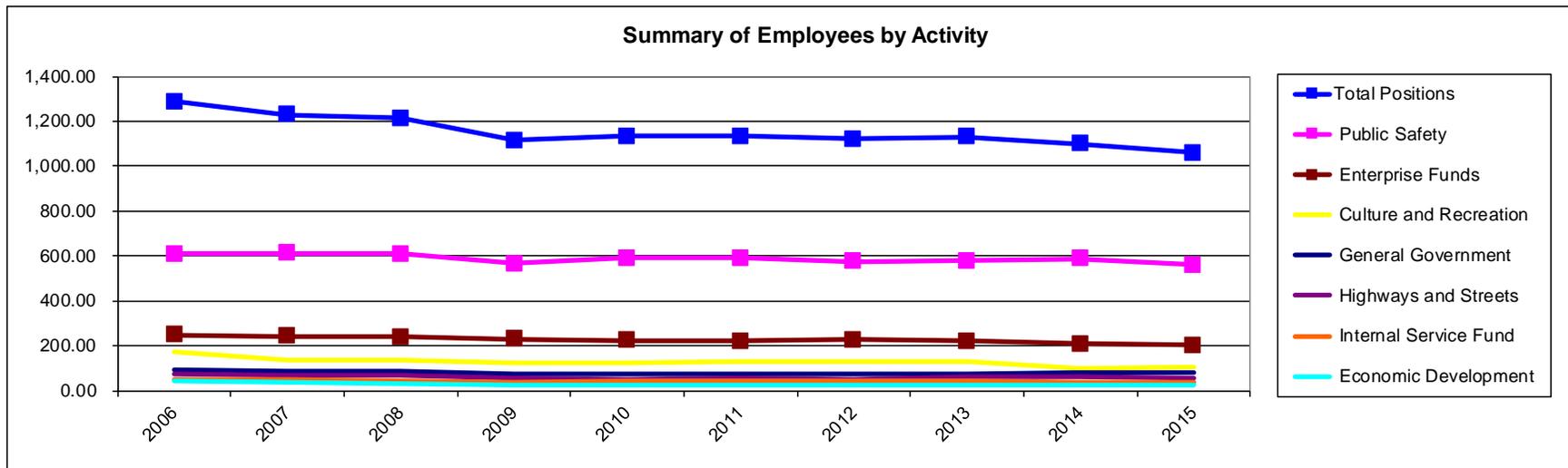
Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Summary by Activity</b>										
General Government	90.00	88.50	85.50	73.00	75.00	74.00	75.00	77.00	82.00	82.00
Public Safety	610.00	611.00	608.00	566.00	589.00	589.00	575.00	579.00	586.00	559.00
Culture and Recreation	171.00	138.00	136.00	124.00	126.00	128.00	128.00	127.00	101.00	102.00
Economic Development	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00
Highways and Streets	77.00	65.00	65.00	57.00	52.00	56.00	52.00	60.00	59.00	53.00
Enterprise Funds	249.00	243.50	239.50	231.00	223.00	220.00	226.00	219.00	207.00	203.00
Internal Service Fund	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00
<b>Total Positions</b>	<b>1,288.00</b>	<b>1,230.00</b>	<b>1,213.00</b>	<b>1,116.00</b>	<b>1,132.00</b>	<b>1,133.00</b>	<b>1,122.00</b>	<b>1,131.00</b>	<b>1,098.00</b>	<b>1,060.00</b>

Excludes seasonal, part-time and temporary positions

(1) Includes reduction of 34 positions in the City's convention facility (Century Center) during 2007. Century Center is being managed by a private company under an agreement with the City of South Bend.

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

Source: City of South Bends Performance Based Budgets and personnel records



# City of South Bend

## Statistical Section Salary Rate Comparison 1990 - 2015

<u>Year</u>	<u>-----1st Class Patrol Officer-----</u>		<u>---1st Class Fire Fighter---</u>		<u>Non-bargaining</u>	<u>Teamsters</u>
	<u>Percent</u>	<u>Base Salary</u>	<u>Percent</u>	<u>Base Salary</u>		
1990	3.62%	\$ 20,071	4.74%	\$ 19,869	3.00-4.00%	.25 per hour
1991	0.92%	20,256	2.52%	20,369	3.00%	.25 per hour
1992	4.69%	21,206	2.45%	20,869	3.00%	.30 per hour
1993	0.44%	21,300	5.00%	21,912	4.24%	0.00%
1994	2.35%	21,800	0.00%	21,912	1.50% + \$300 bonus	.15 per hour
1995	4.82%	22,850	3.00%	22,569	1.50% + \$300 bonus	.30 per hour
1996	4.38%	23,850	5.00%	23,697	3.00%	.27 per hour
1997	4.19%	24,850	4.87%	24,850	3.00%	.33 per hour
1998	4.63%	26,000	0.60%	25,000	3.00%	.37 per hour
1999	3.85%	27,000	2.60%	25,650	3.25%	3.50%
2000	5.56%	28,500	9.34%	28,045	3.50%	3.50%
2001	9.74%	31,275	11.52%	31,275	3.50%	4.00%
2002	4.50%	32,682	4.03%	32,534	4.00%	4.00%
2003	5.57%	34,504	4.04%	33,850	4.00%	4.00%
2004	6.01%	36,578	5.17%	35,600	4.00%	4.00%
2005	9.36%	40,000	12.36%	40,000	4.00%	4.00%
2006	2.50%	41,000	2.00%	40,800	2.00%	4.25%
2007	2.50%	42,025	2.50%	41,820	\$750/0%	.38 per hour
2008	3.50%	43,496	3.50%	43,285	3.00%	3.00%
2009	2.20%	44,453	2.00%	44,150	2.00%	2.00%
2010	0.00%	44,453	6.80%	47,150	2.00%	2.00%
2011	11.50%	49,563	4.06%	49,066	2.00%	0.00%
2012	2.00%	50,554	2.00%	50,047	2.00%	2.00%
2013	2.50%	51,818	3.00%	51,550	2.00%	2.00%
2014	2.50%	53,113	3.00%	53,100	2.00%	2.00%
2015	2.20%	54,281	2.20%	54,268	2.00%	2.00%

Source - City of South Bend personnel records

# City of South Bend

## Statistical Section Insurance Coverage 2015

<u>Type of Coverage</u>		<u>Limits of Liability</u>	<u>Estimated Annual Premium</u>
<b>LIABILITY</b>			
Comprehensive General Liability		Statutory	Self-Insured
Police Professional Liability		Statutory	Self-Insured
Ambulance Malpractice Liability		Statutory	Self-Insured
Premises Liability (Clay Utilities, Century Center, Parking Garages)		Statutory	Self-Insured
CGL - Stadium		Statutory	Self-Insured
Liquor Liability	4/26/15 - 16	\$1,000,000	\$1,739
<b>CRIME</b>			
Public Employee Dishonesty	12/31/15 - 16	\$1,000,000	\$9,374
<b>PROPERTY</b>			
	7/1/15 - 16		
All risk blanket building & contents		\$637,392,067	\$406,974
Business Income		Included in above	Included in above
Machinery Breakdown		Included in above	Included in above
Fine Arts		Included in above	Included in above
Valuable Papers & Records		Included in above	Included in above
Contractors Equipment		Included in above	Included in above
Flood Insurance - Pump station & contents	1/15/15 - 16	\$670,000	\$6,557
Eddy Street Commons Parking Garage	3/2/15 - 16		
Building & Infrastructure		\$36,000,000	\$26,115
Business Income & Rental Value		\$15,000,000	Included in above
Flood		\$25,000,000	Included in above
Earthquake		\$25,000,000	Included in above
<b>OTHER</b>			
	1/1/15 - 16		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$50,000
Excess Over Self-insured \$250,000 Retention Each Accident		Statutory	\$116,315

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

# City of South Bend

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

Year	Banks		Savings and Loans		Credit Unions		Total Deposits	Percent Increase/ (Decrease)
	Branches	Deposits	Branches	Deposits	Branches	Deposits		
2006	35	\$2,054,972	5	\$89,039	24	\$1,857,323	\$4,001,334	4.1%
2007	35	2,183,105	5	86,561	24	1,975,374	4,245,040	6.1%
2008	40	2,184,092	-	-	24	2,699,677	4,883,769	15.0%
2009	40	2,443,390	-	-	23	2,914,347	5,357,737	9.7%
2010	40	3,108,702	-	-	n/a	2,410,711	5,519,413	3.0%
2011	39	3,342,964	-	-	n/a	2,474,034	5,816,998	5.4%
2012	40	3,201,888	-	-	n/a	2,735,212	5,937,100	2.1%
2013	37	3,730,018	-	-	n/a	2,854,527	6,584,545	10.9%
2014	39	2,548,101	-	-	n/a	2,911,596	5,459,697	-17.1%
2015	40	2,454,129	1	25,077	n/a	3,089,732	5,568,938	2.0%

### Banks

Ist Source Bank	\$1,266,255	51.60%
Key Bank	447,325	18.23%
Wells Fargo	249,367	10.16%
Others	491,182	20.01%
<b>Total</b>	<b>\$2,454,129</b>	<b>100.00%</b>

### Credit Unions

Teacher's Credit Union	\$2,142,189	69.33%
Notre Dame Federal Credit Union	416,747	13.49%
Community Wide Credit Union	301,724	9.77%
AAA Federal Credit Union	50,281	1.63%
Policemen's Federal Credit Union	47,540	1.54%
Others	131,251	4.25%
<b>Total</b>	<b>\$3,089,732</b>	<b>100.00%</b>

n/a - information is not available

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

### Sources:

Federal Deposit Insurance Corporation Website ([www.fdic.gov](http://www.fdic.gov)). Summary of Deposits, Deposits Market Share Report, Indiana, St. Joseph County, South Bend, Run Report.

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

## Statistical Section Miscellaneous Statistics December 31, 2015

<u>Police Department</u>		
	<u>2014</u>	<u>2015</u>
Authorized Officers	260	260
Vehicles	388	394
<u>Special Officer Groups:</u>		
K-9 Patrols	8	8
SWAT Team	17	17
Metro Drug Task Force (of 20 total)	13	12
NEST - Special Neighborhood Unit	7	7
Motorcycle Patrol Officers	5	5
Bomb Squad	3	5
Crime Prevention Officers	4	4
<u>Crime Data:</u>		
Murders	17	17
Rapes	98	88
Robbery	341	350
Aggravated Assault	235	285
Residential Burglary	911	943
Non-residential Burglary	311	487
Larceny	3,190	3,612
Auto Theft	332	368
Arson	30	34
Calls for Service	89,428	97,164
Dispatches	89,428	97,164
Miles Driven	3,321,136	3,252,664
Arrests	2,608	2,483

<u>Fire Department</u>		
Paid Department established 1887		
	<u>2014</u>	<u>2015</u>
Sworn Firefighters		
(51 of which are Paramedics)	251	251
Fire Apparatus	20	20
Hazardous Materials Truck	1	1
Reserve Pumper Trucks	3	3
Reserve Ladder Trucks	2	2
River Rescue Boats	3	3
Ambulances	7	7
Neonatal (Newborn) Units	3	3
Fire Runs	3,326	3,234
Ambulance Runs	13,317	13,967

<u>Department of Public Works</u>		
	<u>2014</u>	<u>2015</u>
Traffic Signals	162	158
Street Lights (City maintained)	3,000	3,015
Miles of Streets	525	525
Miles of Sidewalks	695	695
Miles of Alleys	398	398
Miles of Sanitary Sewers and Storm Drains	660	690.16
City Owned Vehicles & Related Units	1,195	1,185
Trash Picked Up Per Week (in tons)	519/wk	596/wk

<u>Sign Shop</u>		
	<u>2014</u>	<u>2015</u>
Work orders for sign maintenance, installation or removal	2,169	2,380
Miles of yellow and white paint	160	275
Pre-formed plastic arrows used for street markings	169	196
Crosswalk painting at intersections	229	436
Turn arrows in turn lanes	0	0
Detour routes	62	50
Temporary No Parking postings	584	630
Built Portables	0	0
Railroad Crossings	4	7
Special Signs Built	1,124	2,165
Barricades set up for events (# of events):	153	185
Block Parties	24	36

<u>Sewer Utility</u>		
	<u>2014</u>	<u>2015</u>
Customers	39,461	39,763
Dry Tons of Sludge produced per year	2,645	2,528
Miles of Sanitary Sewer Lines	527	527
Miles of Storm Sewer Lines	133	133

<u>Water Utility</u>		
	<u>2014</u>	<u>2015</u>
Customers/Meters	40,091	40,377
Irrigation Customers	2,827	2,823
Wells/Pumps in service	30	30
Pumping Capacity	60 m.g.d.	60 m.g.d.
Daily Consumption	14.7 m.g.d.	14.5 m.g.d.
Peak Demand	22.8 m.g.d.	24.9 m.g.d.
Miles of Distribution Systems	583	583
Fire Hydrants	5,448	5,439

## Statistical Section Miscellaneous Statistics December 31, 2015

### South Bend International Airport

Year	Passenger Volume
2006	729,619
2007	779,356
2008	704,418
2009	625,077
2010	626,597
2011	599,127
2012	589,030
2013	629,287
2014	602,555
2015	628,600

The South Bend International Airport had 34,913 take-offs and landings during 2015. Approximately 36 commercial airline flights per day fly nonstop to 10 airports.

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

	2014	2015
Allegiant Air	32.01%	31.07%
Delta Connection	44.34%	45.34%
United Express	21.95%	21.38%
Charters/Nonscheduled	1.70%	2.21%
Total	100.00%	100.00%

Bus Passengers (to O'Hare/Midway)	37,315	34,394
Train Passengers (South Shore)	251,426	246,021

### Transpo

South Bend Public Transportation Corporation

	2014	2015
<b>Motor Bus (Fixed Route)</b>		
Route Miles	286.8	287.0
Ridership	2,188,951	1,873,416
Miles of Service	1,362,052	1,341,234
Revenue Miles	1,252,888	1,271,031
<b>Demand Response (ACCESS)</b>		
Ridership	61,828	66,604
Total Miles	326,381	365,787
Revenue Miles	293,667	327,563

### Other Transportation

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

### Colleges and Universities

Universities and Colleges	Enrollment	
	2014	2015
University of Notre Dame	12,124	12,292
Indiana University at South Bend	7,859	7,574
Bethel College	1,800	1,600
St. Mary's College	1,519	1,570
Holy Cross College	525	530
Trine University - South Bend	161	78
Brown Mackie College - South Bend	434	340
Purdue University South Bend	200	200

Technical Colleges	Enrollment	
	2014	2015
IVY Tech Community College	3,783	3,214

### Convention Facilities

Century Center	75,000 square feet of exhibit space 2,590 available seating 750 seat theater
Morris Performing Arts Center	2,500 available seating
Hotels/Motels	41 motels/hotels 4 Bed and Breakfasts Over 4,000 available rooms
Major hotels and meeting rooms:	
Double Tree	facilities to seat 300
Hilton Garden Inn	facilities to seat 600
The Morris Inn	facilities to seat 300
Waterford Estates Lodge	facilities to seat 600

### Health Care

The City of South Bend has excellent health care access at costs below the national average and the lowest in the Midwest region. The City has one major hospital:

Memorial Health Systems	526 beds
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### Communications

#### Access to:

4 Major Television Networks (WNDU, WSJV, WSBT, WBND)  
1 Public Broadcasting Television Station (WNIT)  
2 Local Television Stations (WHME, WMWB)  
1 Major Newspaper (The South Bend Tribune)  
25 Radio Stations

### Famous Residents

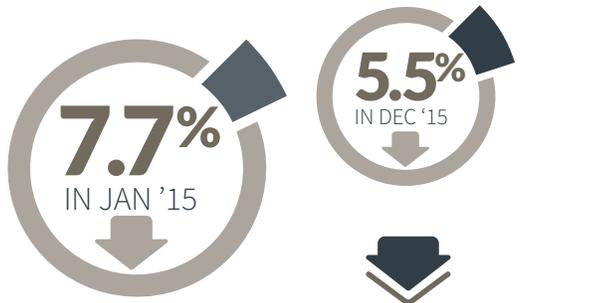
South Bend has been the home to the many distinguished individuals including the following persons:

Schuyler Colfax, 17th U.S. Vice President  
John Fogerty, singer  
Michael Warren, actor  
Chad Everett, actor  
Sidney Pollack, actor/director  
Knute Rockne, football coach  
John Wooden, basketball coach  
Joe Kernan, former South Bend Mayor and Indiana Governor  
Ryan Newman, racecar driver  
Skylar Diggins, woman's basketball player

### Other

- Incorporated in 1865  
- County Seat of St. Joseph County  
- South Bend officially began under the name South Hold but the name was changed by the Post Office in 1830 to avoid confusion with other communities that used that name. The name South Bend was used because the City is located at the southernmost point of the St. Joseph River.  
- Average High Temperature:  
    January                      31 degrees Fahrenheit  
    July                            83 degrees Fahrenheit

# SOUTH BEND BY THE NUMBERS



**UNEMPLOYMENT DROPPED**  
A 29% REDUCTION

**\$178,793,982**

INVESTED IN SOUTH BEND CONSTRUCTION IN 2015

 **an 112%**  
INCREASE OVER 2014

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

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



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

TOOK ACTION ON

**1,122**



**ABANDONED HOUSES**  
INCLUDING 433  
HOUSES REPAIRED

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

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



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

**PROTECTIONS FOR ALL  
COMMUNITY MEMBERS**

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



**70% REDUCTION**

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



**LIGHT UP SOUTH BEND**



BROUGHT STREET LIGHTS TO PARTS OF  
THE CITY WITHOUT ADEQUATE COVERAGE

**70 NEW  
LIGHTS**

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

**AA BOND  
RATING**

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

BOND REFINANCING  
WILL SAVE TAXPAYERS

**\$5,600,000**

**SOUTH BEND'S SMART STREETS**

**\$4.3 M**

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



**SOUTH BEND'S POPULATION**



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

**311**  
SOUTH BEND

took **142,313**  
calls in 2015

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

**In 2015, South Bend neighborhoods saw**

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



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



CITY OF SOUTH BEND, INDIANA

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING ON DECEMBER 31, 2015