



City of South Bend, Indiana

Fiscal Stability

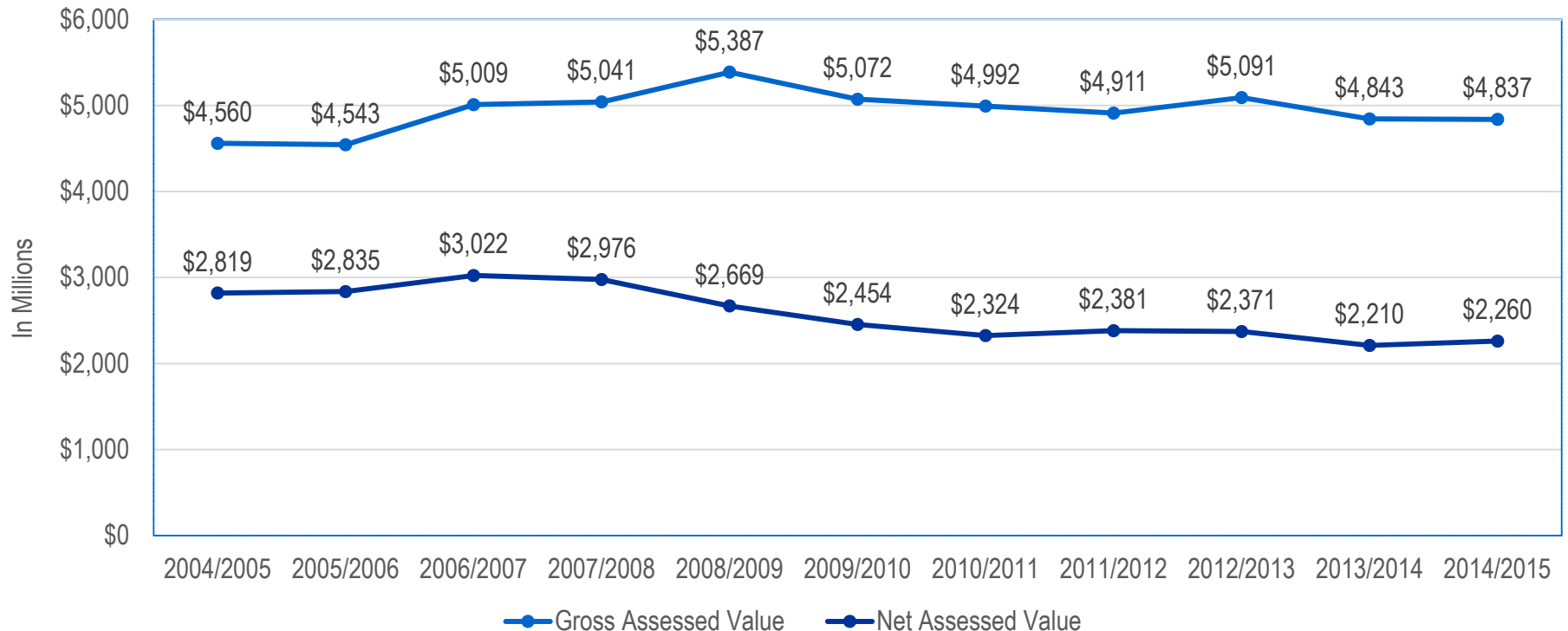
Performance Indicators	2014	2015	Progress
City Real & Personal Property Values (Net Assessed Value in Billions of \$)	\$2.210	\$2.260	↑
Annual General Fund Expenditures per Capita	\$658	\$611	↑
General Fund Balance as % of Expenditures	41.43%	49.53%	↑
Bond Rating (Standard & Poor's)	AA	AA	↔
Debt per Capita	\$2,324	\$2,487	↓
Debt as % of Net Assessed Valuation (NAV)	10.64%	11.13%	↓
Full Time Employees per 1,000 residents	10.9	10.5	↑
Property Tax Revenue (All Funds)	\$72,034,021	\$70,914,835	↓
Local Option Income Tax Revenue	\$23,822,661	\$24,507,308	↑
Annual Governmental Fund Expenditures per Capita	\$1,525	\$1,707	↓
General and Local Income Tax Fund Expenditures per Capita	\$864	\$811	↑

Performance Key:  Improving  Staying about the same  Declining

Department of Administration and Finance

July 11, 2016

City of South Bend, Indiana City Real & Personal Property Values



Why is this important?

One large source of revenue for the City of South Bend is property taxes which the residents pay each year. As taxable values change, so does the tax revenue. The tax revenue is essential to providing the services to the residents of the City of South Bend that they have come to know and expect.

City of South Bend, Indiana

General Fund Budget and Finances

Year	Status	General Fund Revenues	General Fund Expenditures	Net Change in Fund Balance	General Fund Ending Balance
2015**	Audited	\$64,855,322	\$61,820,671	\$3,034,651	\$30,622,056
2014*	Audited	\$66,512,478	\$66,593,986	(\$81,508)	\$27,587,405
2013	Audited	\$72,115,610	\$73,241,780	(\$1,126,170)	\$27,668,913
2012	Audited	\$75,234,013	\$74,370,146	\$863,867	\$28,795,083
2011	Audited	\$73,049,860	\$73,855,786	(\$805,926)	\$27,931,216
2010	Audited	\$73,963,008	\$69,844,321	\$4,118,687	\$28,737,142
2009	Audited	\$59,313,038	\$62,111,167	(\$2,798,129)	\$24,618,455
2008	Audited	\$69,247,990	\$65,592,159	\$3,655,831	\$27,416,584

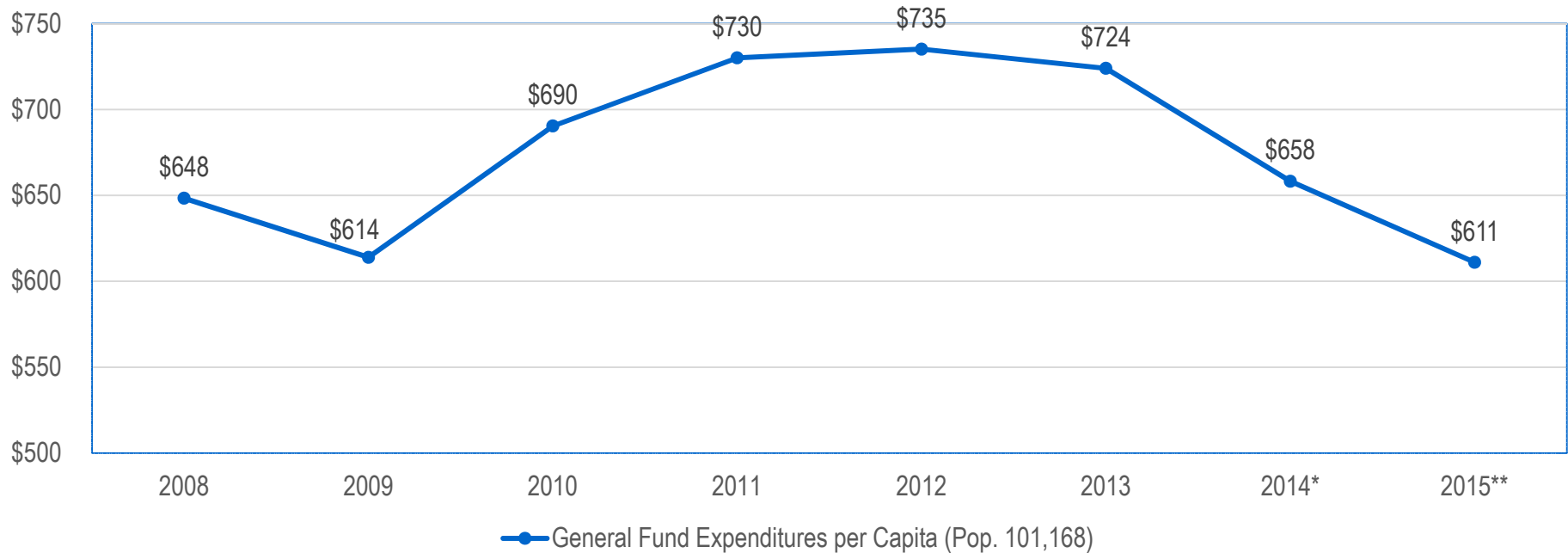
* Decrease in 2014 due to paying a portion of the police and fire salaries from PS LOIT Fund.

** Decrease in 2015 due to the transfer of the Emergency Medical Services (EMS) from General Fund to a separately dedicated EMS Fund.

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City of South Bend, Indiana Annual General Fund Expenditures per Capita



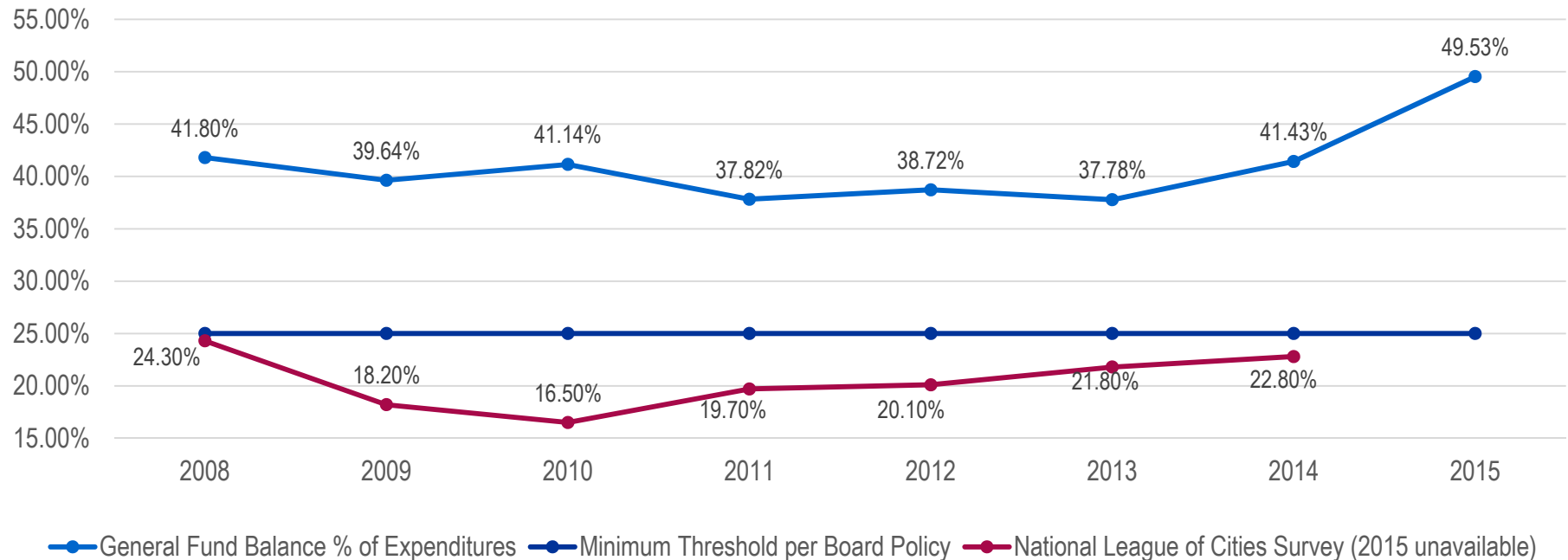
Why is this important?

Cost per resident is a measure of how much it costs to operate the City on a per-person basis. The City of South Bend continues to explore ways to provide high-quality services to residents at the lowest possible cost.

* Decrease in 2014 due to paying a portion of the police and fire salaries from PS LOIT Fund.

** Decrease in 2015 due to the transfer of the Emergency Medical Services (EMS) from General Fund to a separately dedicated EMS Fund.

City of South Bend, Indiana General Fund Balance % of Expenditures



Why is this important?

The financial health of the City is important to provide and maintain services. The General Fund Balance is one method of measuring financial health, and is a strong contributor to the credit rating of an organization.

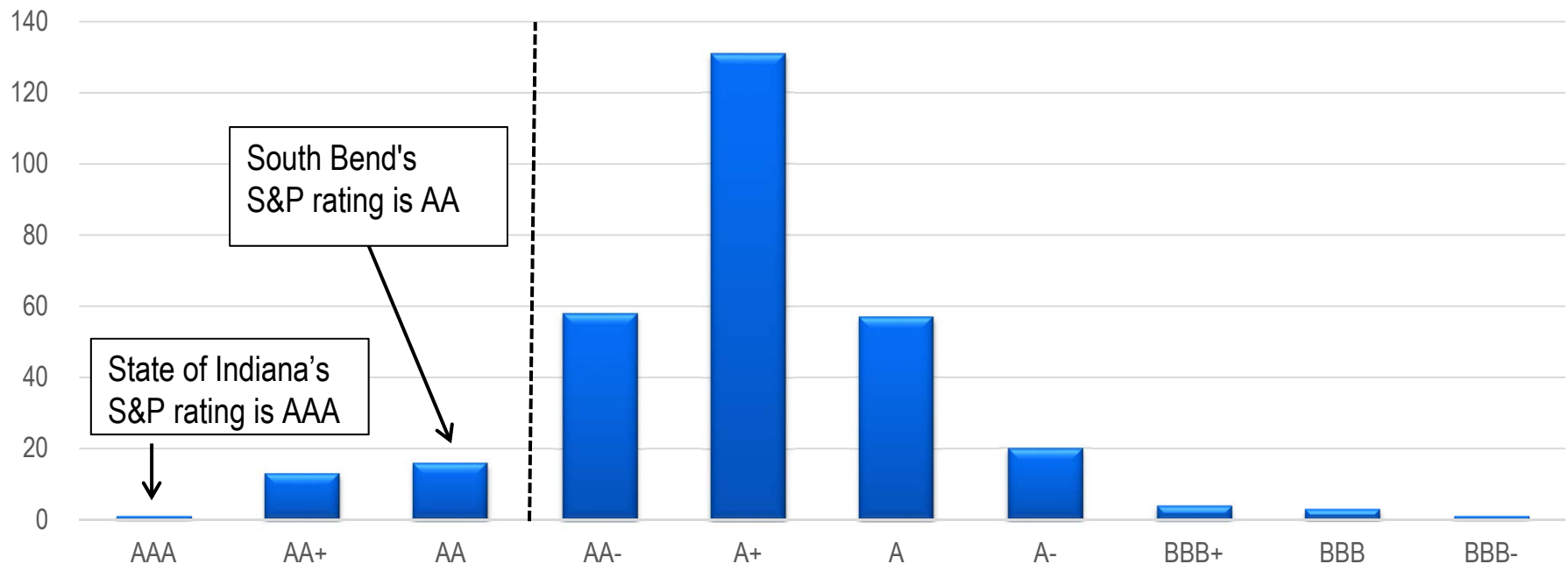
Note: Expenditures include transfers to other funds. Fund balance is defined as ending fund balance.

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City of South Bend, Indiana Bond Rating

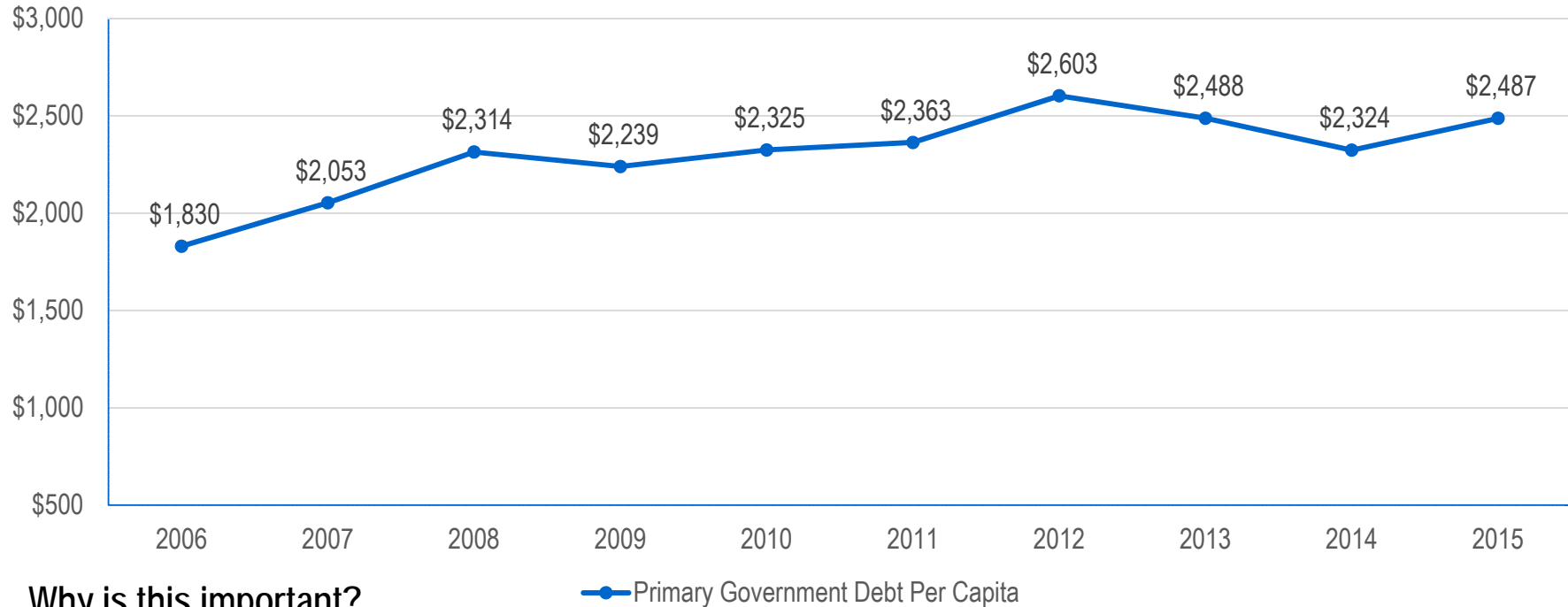
Indiana Local Government Standard & Poor's Bond Ratings



Why is this important?

The bond or credit rating is a measure of the City's financial reputation. A good credit rating enables the City to borrow money for construction projects and other needs at the most competitive rates available. This saves thousands of taxpayer dollars in interest payments.

City of South Bend, Indiana Debt per Capita



Why is this important?

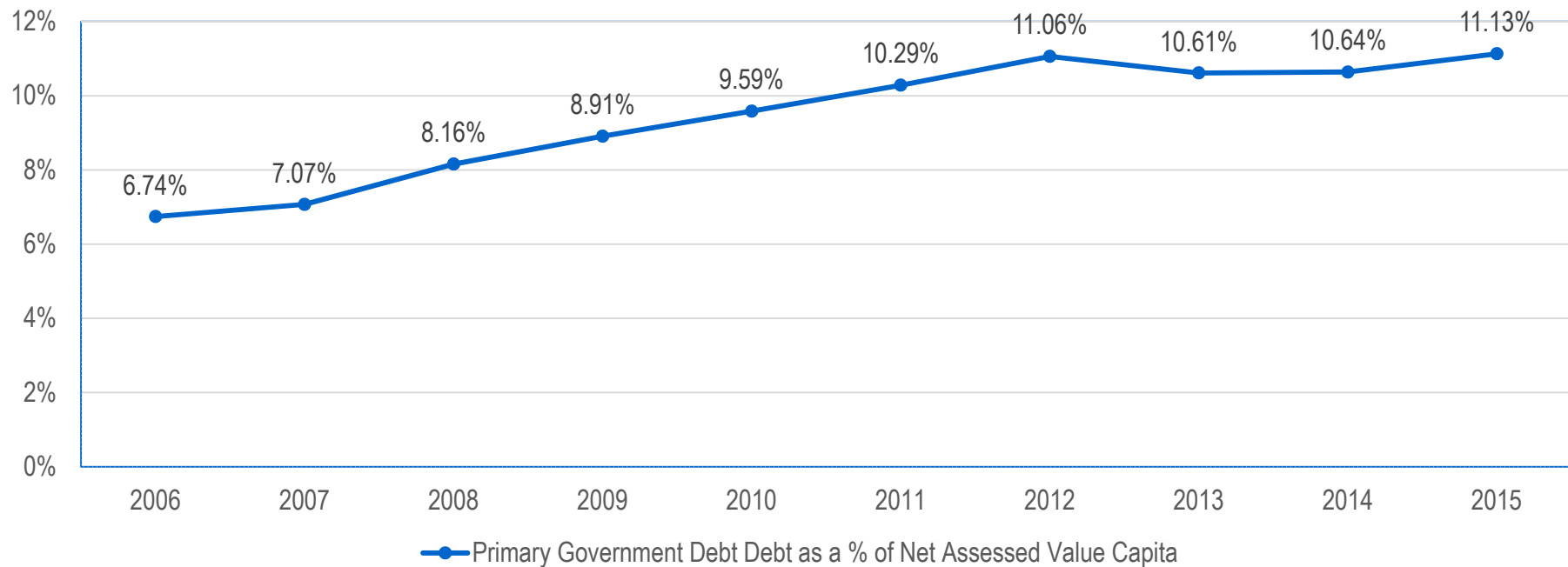
The City of South Bend issues long-term debt for large capital projects, such as local water and sewer projects, economic development projects and capital leases. Its debt burden is computed as the outstanding principal balance at year end on this debt.

During 2015, the City issued bonds for Park improvements, energy savings projects at the Century Center and the “Smart Streets” conversion of one-way to two-way streets to enhance economic development.

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City of South Bend, Indiana Debt as % of Net Assessed Value (NAV)



Why is this important?

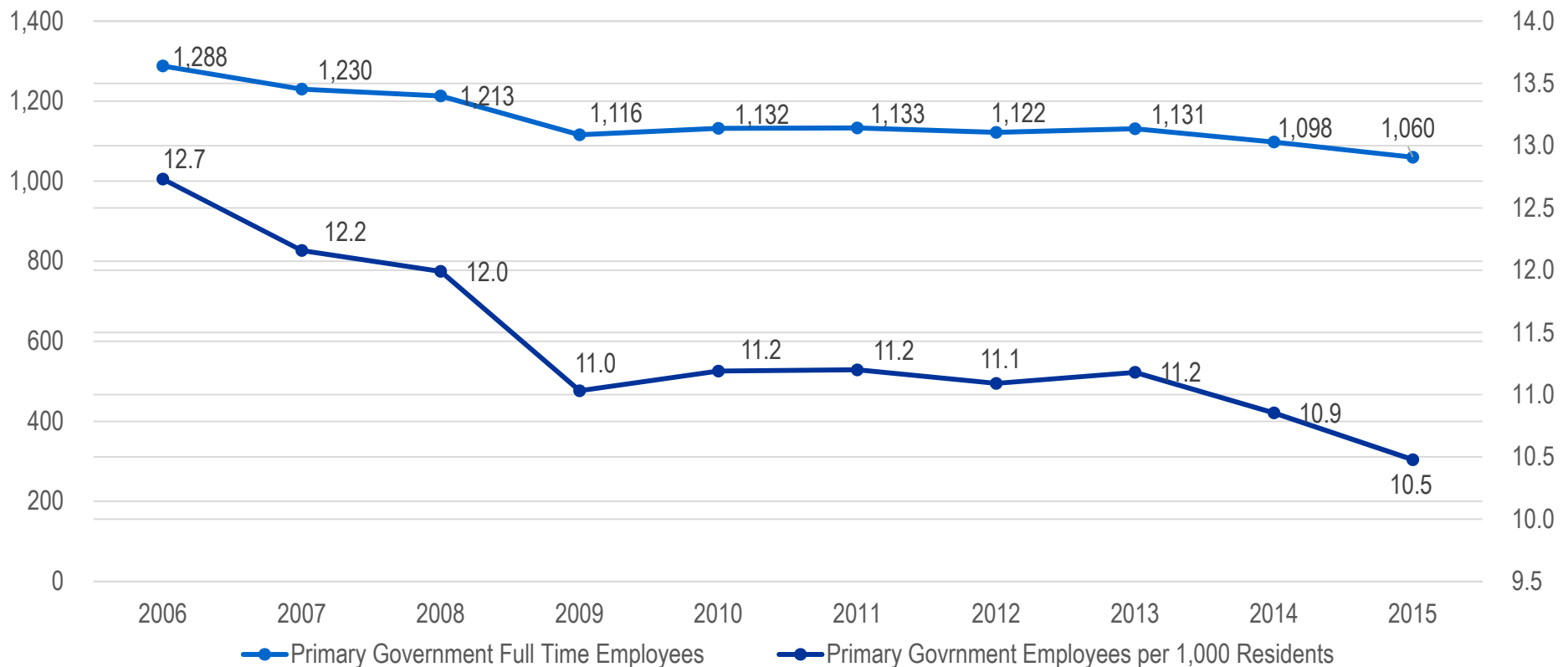
The lower the debt to Net Assessed Valuation ratio, the more financially healthy a community is. City borrowing in recent years includes revenue bonds for the Sewer Long-Term Control Plan that will be funded with higher sewer rates. New Sewer bonds were not issued during 2013 - 2015.

In 2015, the City issued bonds for parks improvements, energy savings projects at the Century Center and the "Smart Streets" conversion of one-way to two way streets to enhance economic activity.

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City of South Bend, Indiana Full Time Number of Employees



Why is this important?

A measure of efficiency is the number of employees over 1,000 residents. The lower the ratio of employees over 1,000 residents, the more efficient the City is providing services to the community.

Note: The change in full time employees vs. employees per 1,000 residents is due mainly layoffs due to circuit breaker issues and the privatization of the zoo and the management of the convention center along with the transfer of 911 call center operations to Saint Joseph County. Full time employees determined at year-end. (2010 Census population of 101,168 used for calculation.)

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City of South Bend, Indiana Property Tax Revenue – All Funds – Cash Basis



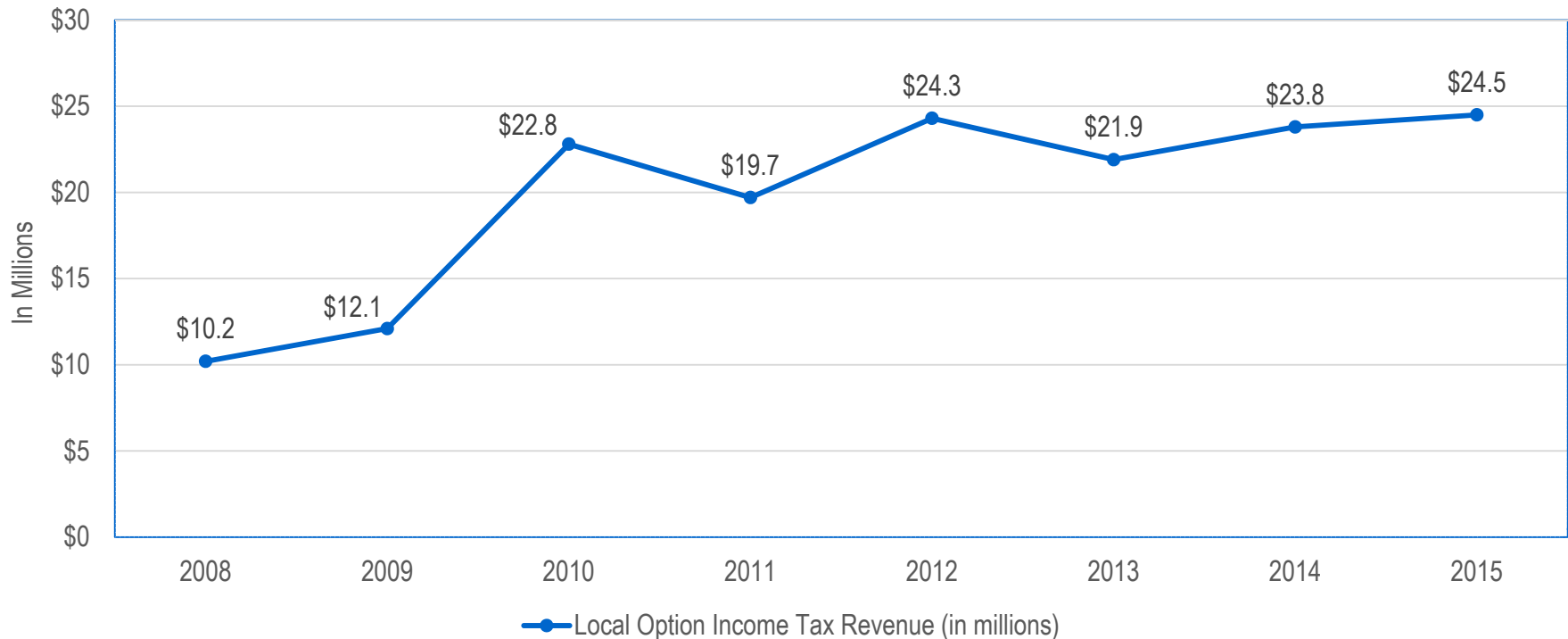
Why is this important?

Property tax revenue is the largest source of revenue for governmental operations such as police and fire protection. In 2008, the State of Indiana passed “Circuit Breaker” property tax reform which capped property tax rates and reduced revenue for local governmental units.

In 2015, General Fund and Parks & Recreation Fund property tax revenue increased while Tax Increment Financing (TIF) property tax revenue declined due to TIF consolidations.

City of South Bend, Indiana

Local Option Income Tax Revenue - Cash Basis



Why is this important?

Local option income taxes (COIT, CEDIT, PS LOIT) are an important source of revenue for governmental operations, including public safety and capital projects. Effective for fiscal year 2010, Local Option Income Tax rates were increased in response to State Legislation reducing property tax revenue. Local income taxes are charged on wages paid to employees and have increased as the local economy has improved.

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City of South Bend, Indiana

Governmental Funds Budget and Finances

Year	Status	Governmental Fund Revenues	Governmental Fund Expenditures	Other Sources and (Uses)	Net Change in Fund Balance	Governmental Fund Ending Balance
2015	Audited	\$142,719,826	\$172,658,733	\$36,278,971	\$6,340,064	\$200,826,736
2014	Audited	\$144,489,791	\$154,300,097	\$7,111,663	(\$2,698,643)	\$194,486,672
2013	Audited	\$151,152,474	\$152,860,750	\$10,810,800	\$9,102,524	\$197,185,315
2012	Audited	\$147,379,084	\$162,460,000	\$6,929,631	(\$8,151,258)	\$188,082,791
2011	Audited	\$152,877,172	\$172,397,679	\$7,552,867	(\$11,967,640)	\$196,234,076
2010	Audited	\$158,342,276	\$150,758,014	\$4,567,041	\$12,151,303	\$208,201,716
2009	Audited	\$130,932,134	\$142,962,710	\$2,207,394	(\$9,823,182)	\$196,050,413
2008	Audited	\$139,717,856	\$138,022,795	\$51,746,178	\$53,441,239	\$205,873,595

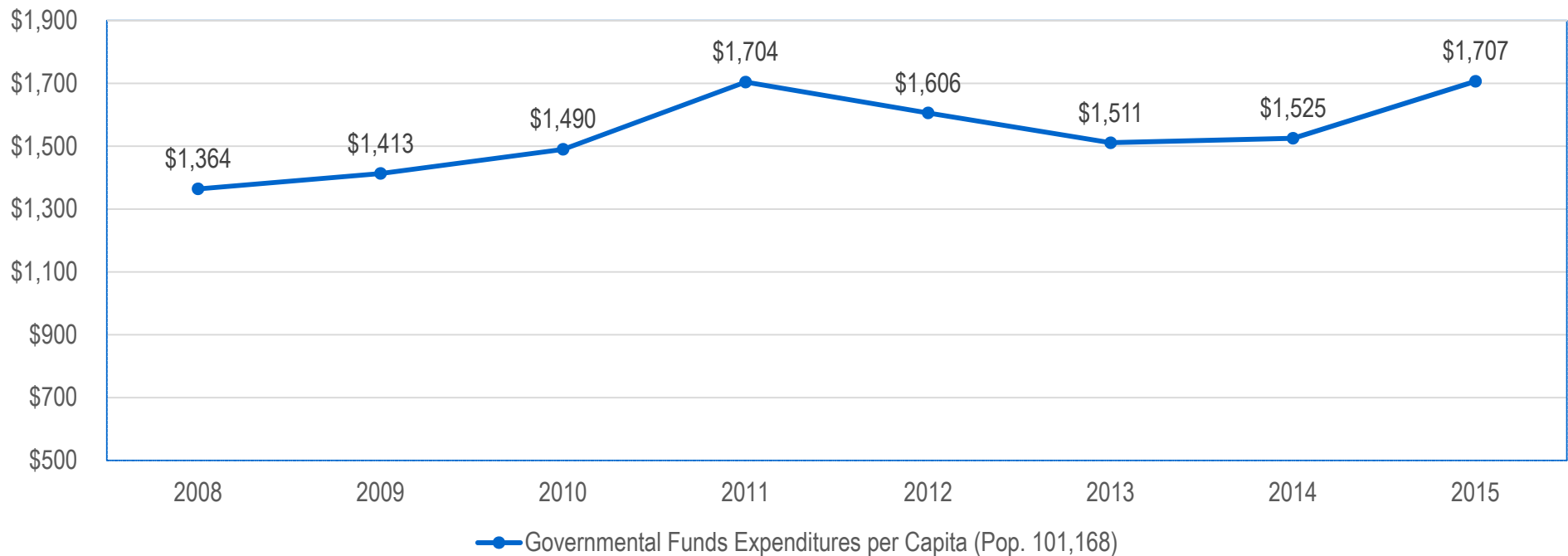
Governmental funds account for the general operations of the City (i.e. police and fire protection, road maintenance and economic development). Governmental funds receive property taxes, local income taxes, grants, interest income and other sources of revenue. Other sources include transfers from other funds, proceeds from debt issuance, debt refunding, claim settlements and other one-time items.

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City of South Bend, Indiana

Annual Governmental Funds Expenditures per Capita



Why is this important?

Cost per resident is a measure of how much it costs to operate the City on a per-person basis. The City of South Bend continues to explore ways to provide high-quality services to residents at the lowest possible cost.

The increase in per capita expenditures in 2015 is due primarily to spending on capital projects using bond proceeds or cash reserves.

City of South Bend, Indiana

General & Local Income Tax Funds Budget and Finances

Year	Status	General & Local Income Tax Funds Revenues	General & Local Income Tax Funds Expenditures	Other Sources and (Uses)	Net Change in Fund Balance	General & Local Income Tax Funds Ending Balance
2015	Audited	\$86,414,320	\$82,001,807	(\$5,388,924)	(\$976,411)	\$54,464,156
2014	Audited	\$86,650,588	\$87,473,563	(\$1,164,280)	(\$1,987,255)	\$55,440,567
2013	Audited	\$83,120,786	\$82,852,504	(\$2,783,885)	(\$2,515,603)	\$57,427,822
2012	Audited	\$88,482,061	\$84,289,339	(\$2,175,271)	\$2,017,451	\$59,943,425
2011	Audited	\$87,039,700	\$85,170,478	(\$323,557)	\$1,545,665	\$57,925,974
2010	Audited	\$92,166,343	\$75,170,006	(\$2,295,699)	\$14,700,638	\$56,380,309
2009	Audited	\$71,401,298	\$64,725,591	(\$4,426,984)	\$2,248,723	\$41,679,671
2008	Audited	\$79,453,180	\$70,249,980	(\$4,544,082)	\$4,659,118	\$39,230,948

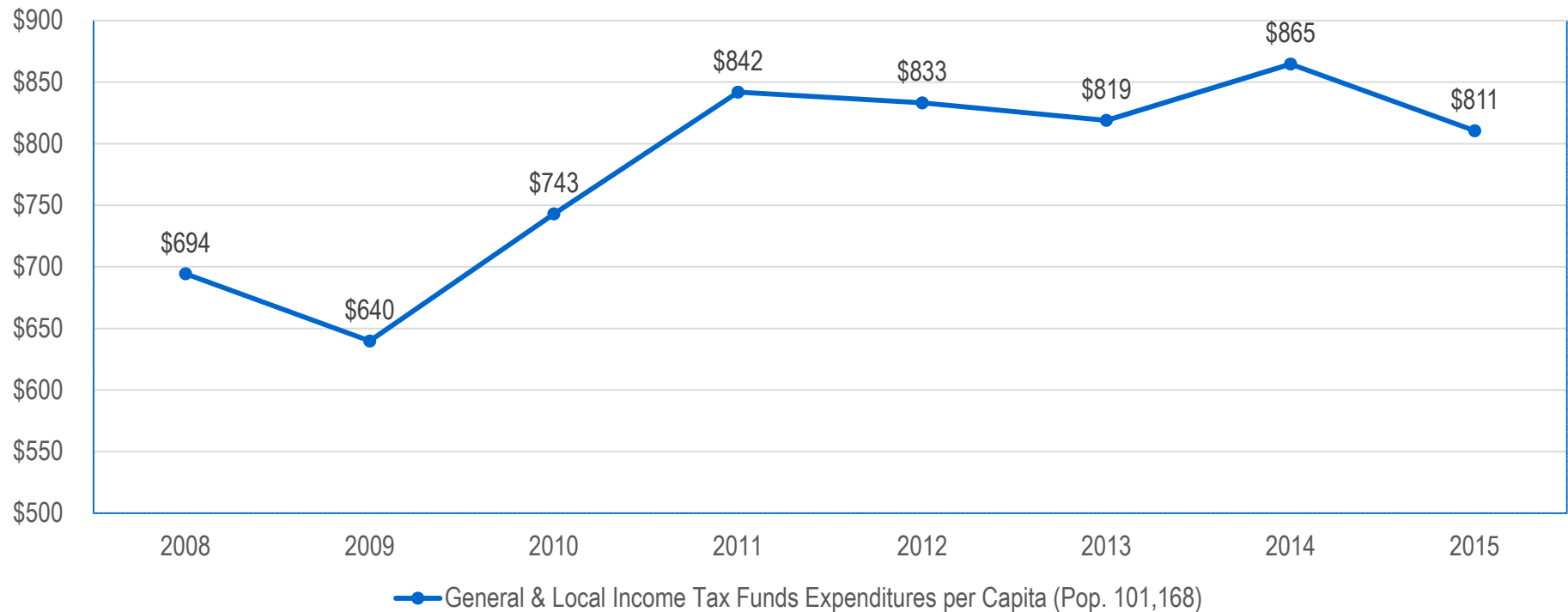
The General Fund and Local Income Tax Funds (COIT, EDIT and Public Safety LOIT) account for the general operations of the city including police and fire protection, economic development, code enforcement, debt service and capital. Due to circuit breaker tax caps, property tax revenue has declined while local income tax revenue has increased. Other sources include transfers from other funds, proceeds from debt issuance, debt refunding, claim settlements and other one-time items.

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City of South Bend, Indiana

Annual General & Local Income Tax Funds Expenditures per Capita



Why is this important?

Cost per resident is a measure of how much it costs to operate the City on a per-person basis. The City of South Bend continues to explore ways to provide high-quality services to residents at the lowest possible cost. Property tax and local income tax revenue provide the majority of revenue for these funds.