



ANNUAL INVESTMENT REPORT
to the
CITY OF SOUTH BEND BOARD OF FINANCE

For the Year Ended December 31, 2022

Report Date: January 31, 2023

Report Distribution: South Bend Common Council Members
Mayor
Chief of Staff
Deputy Chief of Staff
City Clerk
Common Council Attorney
Corporation Counsel
State Board of Accounts (local office)

Submitted By: Interim City Controller (pursuant to I.C. 5-13-7-7)



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INVESTMENT OFFICERS

Interim City Controller: Benjamin J. Dougherty, JD

Director of Treasury: Amanda N. Pietsch, CPA

INVESTMENT ADVISORS (1ST SOURCE BANK)

Paul W. Gifford, Jr., CFA
Senior Vice President & Chief Investment Officer

Erik Clapsaddle, CFA, CFP ®
Vice President & Sr. Fixed Income Portfolio Manager

Delia Salazar Nicholls
Trust Officer

AUTHORIZED INVESTMENT AMOUNT

Portfolio of \$200 million in investments with 1st Source Bank



INVESTMENT REVIEW MEETINGS

<u>QUARTER</u>	<u>DATE</u>	<u>TIME</u>
1 ST Quarter	04/19/2023	10:00 A.M.
2 ND Quarter	07/19/2023	10:00 A.M.
3 RD Quarter	10/18/2023	10:00 A.M.
4 TH Quarter	01/17/2024	10:00 A.M.

Investment Review Meetings will be held virtually via Microsoft Teams until further notice.



INVESTMENT REPORT (12/31/2022)

Investment Presentation for

City of South Bend Corporate Agency



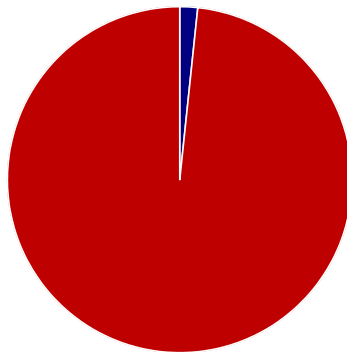
Wealth Advisory Services

Account Summary as of 12/31/2022

City of South Bend Corporate Agency

Asset Allocation

Asset Category	Market Value	% Total
Cash	3,411,809.67	1.8
Fixed Income	189,839,387.44	98.2
Total	\$193,251,197.11	100.0%



Account Statistics

Total Market Value	\$193,251,197.11
Total Unrealized Gain/Loss	-\$6,477,192.94
Estimated Annual Income	\$2,654,906.70
Estimated Portfolio Yield	1.37%
YTD Long Term Gain/Loss	\$0.00
YTD Short Term Gain/Loss	\$0.00
Policy Account	Income
Minor Account Type	AGENCY
Investment Officer	PAUL GIFFORD
Administrative Officer	DELIA SALAZAR NICHOLLS

Top 5 Holdings (Cash Excluded)

Asset	Units	Price	Tax Cost	Market Value	Gain/Loss	Est. Income	Yield	% Total
U.S. Treasury Notes 1.375% 6/30/23	10,000,000	98.43	10,060,838.74	9,911,729.83	-149,108.91	137,500.00	1.39	5.13
FHLMC MTN 0.250% 5/19/23	7,000,000	98.41	7,000,000.00	6,891,021.67	-108,978.33	17,500.00	0.25	3.57
FNMA 0.250% 7/10/23	5,305,000	97.66	5,310,033.89	5,186,897.44	-123,136.45	13,262.50	0.26	2.68
Wells Fargo Bank CD 4.800% 5/28/24	5,000,000	100.24	5,000,000.00	5,014,830.14	14,830.14	240,000.00	4.79	2.59
U.S. Treasury Notes 1.625% 5/31/23	5,000,000	98.82	5,036,159.59	4,948,342.86	-87,816.73	81,250.00	1.64	2.56
Total			\$32,407,032.22	\$31,952,821.94	-\$454,210.28	\$489,512.50	1.53%	16.53%

Market values include accruals.

December 31, 2022

Holdings Detail as of 12/31/2022

City of South Bend Corporate Agency

Asset	CUSIP	Quantity	Tax Cost	Market Value	Gain/Loss	Est. Income	Yield
Cash							
Taxable Money Market Funds							
Federated Hermes Govt Obl	608919718	3,403,766	3,403,766.13	3,411,809.67	8,043.54	119,843.20	3.51%
Total Cash			\$3,403,766.13	\$3,411,809.67	\$8,043.54	\$119,843.20	3.51%
Fixed Income							
Time Deposits							
Ally Bank CD 4.700% 12/23/24	02007GH55	250,000	250,000.00	250,646.92	646.92	11,750.00	4.69%
American Expr Bk CD 3.300% 7/01/24	02589AD41	250,000	250,000.00	245,320.31	-4,679.69	8,250.00	3.36%
Bankunited CD 0.150% 2/21/23	066519QF9	250,000	250,000.00	248,624.18	-1,375.82	375.00	0.15%
Bankwell Bank CD 0.400% 7/06/23	06654BCH2	250,000	250,000.00	245,540.41	-4,459.59	1,000.00	0.41%
Bmo Harris Bank CD 0.500% 3/28/25	05600XAY6	1,000,000	1,000,000.00	913,224.79	-86,775.21	5,000.00	0.55%
Bmo Harris Bank CD 0.700% 4/28/25	05600XCV0	3,000,000	3,000,000.00	2,747,119.73	-252,880.27	21,000.00	0.76%
Bmo Harris Bk CD 0.500% 2/27/25	05600XAV2	1,000,000	1,000,000.00	916,579.45	-83,420.55	5,000.00	0.55%
BMW Bank CD 0.300% 7/31/23	05580AB94	250,000	250,000.00	244,460.99	-5,539.01	750.00	0.31%
Capital One Bank CD 3.300% 7/01/24	14042THC4	250,000	250,000.00	245,320.31	-4,679.69	8,250.00	3.36%
Capital One CD 3.300% 7/01/24	14042RSH5	250,000	250,000.00	245,320.31	-4,679.69	8,250.00	3.36%
City Natl Bank CD 4.900% 11/24/25	178180GS8	199,000	199,000.00	201,759.26	2,759.26	9,751.00	4.83%
First Internet CD 4.450% 6/16/25	32056GDS6	150,000	150,000.00	149,809.60	-190.40	6,675.00	4.46%
Flagstar Bank CD 0.200% 6/16/23	33847E4N4	5,000,000	5,000,000.00	4,907,838.36	-92,161.64	10,000.00	0.20%
Flagstar Bank CD 0.250% 6/30/23	33847E4R5	3,000,000	3,000,000.00	2,940,521.10	-59,478.90	7,500.00	0.26%
Flagstar Bank CD 0.300% 7/17/23	33847E4T1	4,000,000	4,000,000.00	3,918,876.16	-81,123.84	12,000.00	0.31%
Flagstar Bank CD 0.400% 9/30/24	33847E4E4	1,000,000	1,000,000.00	931,019.18	-68,980.82	4,000.00	0.43%
Flagstar Bank CD 0.500% 7/31/24	33847E3X3	1,000,000	1,000,000.00	939,749.59	-60,250.41	5,000.00	0.53%
Goldman Sachs Bk CD 3.350% 7/08/24	38150VDH9	250,000	250,000.00	245,946.58	-4,053.42	8,375.00	3.41%
Homestreet Bank CD 0.150% 2/22/23	43785QPR8	250,000	250,000.00	248,585.27	-1,414.73	375.00	0.15%
Investors Bank CD 0.200% 6/30/23	46176PNG6	250,000	250,000.00	244,982.74	-5,017.26	500.00	0.20%
Mainstreet Bank CD 0.250% 3/31/23	56065GAN8	250,000	250,000.00	247,637.29	-2,362.71	625.00	0.25%
Manuf & Traders CD 4.900% 12/09/24	564759RJ9	250,000	250,000.00	252,204.04	2,204.04	12,250.00	4.86%
NY Community Bank CD 0.200% 7/03/23	649447VA4	250,000	250,000.00	244,887.74	-5,112.26	500.00	0.20%

Holdings Detail as of 12/31/2022

City of South Bend Corporate Agency

Asset	CUSIP	Quantity	Tax Cost	Market Value	Gain/Loss	Est. Income	Yield
Fixed Income							
Time Deposits (continued)							
Oceanfirst Bank CD 3.250% 7/01/24	67523TBE2	250,000	250,000.00	245,139.28	-4,860.72	8,125.00	3.31%
Parkway Bank CD 0.150% 2/27/23	70153RKQ0	250,000	250,000.00	248,555.03	-1,444.97	375.00	0.15%
Popular Bank CD 4.300% 12/11/25	73317ABH4	250,000	250,000.00	248,632.64	-1,367.36	10,750.00	4.32%
Sallie Mae Bank CD 0.300% 7/28/23	795451AE3	250,000	250,000.00	244,560.10	-5,439.90	750.00	0.31%
Sallie Mae Bk CD 4.900% 12/08/25	795451CL5	250,000	250,000.00	253,036.54	3,036.54	12,250.00	4.84%
Southern Bank CD 4.650% 12/09/24	843383CG3	250,000	250,000.00	250,955.03	955.03	11,625.00	4.63%
Southern Sts Bank CD 0.500% 6/12/24	843879DC8	250,000	250,000.00	235,623.49	-14,376.51	1,250.00	0.53%
Synchrony Bank CD 0.400% 10/10/23	87164WD21	250,000	250,000.00	242,340.38	-7,659.62	1,000.00	0.41%
Third Fed Svgs CD 0.150% 2/23/23	88413QCX4	250,000	250,000.00	248,657.09	-1,342.91	375.00	0.15%
Webbank CD 0.250% 5/01/23	947547MU6	250,000	250,000.00	246,850.38	-3,149.62	625.00	0.25%
Wells Fargo Bank CD 1.900% 1/17/23	949495AQ8	1,000,000	1,000,000.00	999,730.82	-269.18	19,000.00	1.90%
Wells Fargo Bank CD 2.850% 3/13/23	949763YK6	500,000	500,000.00	499,491.78	-508.22	14,250.00	2.85%
Wells Fargo Bank CD 2.950% 3/27/24	949763YW0	1,000,000	1,000,000.00	980,154.11	-19,845.89	29,500.00	3.01%
Wells Fargo Bank CD 4.750% 12/16/24	9497634M5	1,750,000	1,750,000.00	1,758,964.32	8,964.32	83,125.00	4.73%
Wells Fargo Bank CD 4.800% 5/28/24	9497633V6	5,000,000	5,000,000.00	5,014,830.14	14,830.14	240,000.00	4.79%
US Treasury							
U.S. Treasury Notes 1.375% 6/30/23	912828S35	10,000,000	10,060,838.74	9,911,729.83	-149,108.91	137,500.00	1.39%
U.S. Treasury Notes 1.625% 5/31/23	912828R69	5,000,000	5,036,159.59	4,948,342.86	-87,816.73	81,250.00	1.64%
U.S. Treasury Notes 2.125% 3/31/24	912828W71	5,000,000	4,977,353.34	4,870,896.29	-106,457.05	106,250.00	2.18%
U.S. Treasury Notes 2.125% 7/31/24	9128282N9	5,000,000	4,927,306.10	4,853,663.32	-73,642.78	106,250.00	2.19%
U.S. Treasury Notes 2.250% 1/31/24	912828V80	4,000,000	4,080,418.63	3,932,183.04	-148,235.59	90,000.00	2.29%
U.S. Treasury Notes 2.250% 12/31/24	9128283P3	5,000,000	4,901,296.89	4,848,360.77	-52,936.12	112,500.00	2.32%
U.S. Treasury Notes 2.375% 8/15/24	912828D56	5,000,000	4,941,486.58	4,869,053.94	-72,432.64	118,750.00	2.44%
U.S. Treasury Notes 2.750% 2/15/24	912828B66	5,000,000	5,044,301.26	4,943,736.14	-100,565.12	137,500.00	2.78%
U.S. Treasury Notes 2.875% 5/31/25	9128284R8	5,000,000	4,993,750.00	4,846,437.36	-147,312.64	143,750.00	2.97%
Government Agency							
FFCB 0.190% 9/22/23	3133EMLE0	5,000,000	5,000,000.00	4,830,812.50	-169,187.50	9,500.00	0.20%
FFCB 0.210% 12/28/23	3133EMLT7	3,000,000	3,000,000.00	2,861,482.50	-138,517.50	6,300.00	0.22%

Holdings Detail as of 12/31/2022

City of South Bend Corporate Agency

Asset	CUSIP	Quantity	Tax Cost	Market Value	Gain/Loss	Est. Income	Yield
Fixed Income							
Government Agency (continued)							
FFCB 0.330% 6/03/24	3133EME40	3,000,000	3,000,000.00	2,817,080.00	-182,920.00	9,900.00	0.35%
FFCB 0.340% 4/22/24	3133EMXB3	5,000,000	4,999,250.00	4,712,608.33	-286,641.67	17,000.00	0.36%
FFCB 0.420% 9/09/24	3133EL6E9	2,000,000	2,000,000.00	1,860,193.33	-139,806.67	8,400.00	0.45%
FFCB 0.600% 6/16/25	3133EMH47	2,000,000	2,000,000.00	1,818,940.00	-181,060.00	12,000.00	0.66%
FFCB 0.900% 6/15/26	3133EMH21	1,000,000	1,000,000.00	888,230.00	-111,770.00	9,000.00	1.01%
FFCB 1.670% 3/08/24	3133ENQX1	3,000,000	3,000,000.00	2,901,335.83	-98,664.17	50,100.00	1.73%
FFCB 2.190% 3/21/25	3133ENSK7	1,000,000	1,000,000.00	953,443.33	-46,556.67	21,900.00	2.30%
FHLB 0.180% 4/28/23	3130AM5P3	5,000,000	5,000,125.16	4,932,625.00	-67,500.16	9,000.00	0.18%
FHLB 0.220% 12/28/23	3130AKKE5	5,000,000	4,999,250.00	4,765,041.67	-234,208.33	11,000.00	0.23%
FHLB 0.370% 3/13/24	3130ANSW1	3,000,000	3,000,000.00	2,841,030.00	-158,970.00	11,100.00	0.39%
FHLB 0.500% 11/24/23	3130APM77	5,000,000	5,000,000.00	4,801,319.44	-198,680.56	25,000.00	0.52%
FHLB 0.650% 11/28/23	3130APW27	4,000,000	4,000,000.00	3,844,663.33	-155,336.67	26,000.00	0.68%
FHLB 0.750% 12/29/23	3130AQ5T6	3,000,000	3,000,000.00	2,877,755.00	-122,245.00	22,500.00	0.78%
FHLB 1.000% 11/15/24	3130APRF4	500,000	477,658.30	467,933.89	-9,724.41	5,000.00	1.07%
FHLB 1.000% 8/12/26	3130ANET3	5,000,000	5,000,000.00	4,445,555.56	-554,444.44	50,000.00	1.12%
FHLB 1.610% 9/04/24	3130AQV26	3,000,000	2,926,443.36	2,864,857.50	-61,585.86	48,300.00	1.69%
FHLB 2.000% 3/28/24	3130ARE31	900,000	900,000.00	873,447.00	-26,553.00	18,000.00	2.06%
FHLB 3.000% 5/17/24	3130ARV65	2,000,000	2,000,000.00	1,963,893.33	-36,106.67	60,000.00	3.06%
FHLB 4.500% 12/12/25	3130ATUC9	1,750,000	1,771,350.00	1,771,070.00	-280.00	78,750.00	4.45%
FHLB 5.000% 12/12/24	3130ATXG7	1,500,000	1,500,000.00	1,503,328.33	3,328.33	75,000.00	4.99%
FHLMC MTN 0.250% 5/19/23	3134GXCB8	7,000,000	7,000,000.00	6,891,021.67	-108,978.33	17,500.00	0.25%
FHLMC MTN 0.300% 11/13/23	3134GXAY0	1,125,000	1,124,741.25	1,081,867.50	-42,873.75	3,375.00	0.31%
FHLMC MTN 0.320% 11/02/23	3134GW6E1	5,000,000	5,000,000.00	4,819,772.22	-180,227.78	16,000.00	0.33%
FHLMC MTN 0.320% 11/24/23	3134GXCA0	3,000,000	3,000,000.00	2,878,676.67	-121,323.33	9,600.00	0.33%
FHLMC MTN 0.375% 4/20/23	3137EAEQ8	5,000,000	5,005,210.83	4,941,047.92	-64,162.91	18,750.00	0.38%
FHLMC MTN 0.450% 9/11/24	3134GWN44	5,000,000	5,000,000.00	4,656,075.00	-343,925.00	22,500.00	0.48%
FHLMC MTN 1.850% 3/22/24	3134GXMM3	3,000,000	3,000,000.00	2,903,872.50	-96,127.50	55,500.00	1.91%

Holdings Detail as of 12/31/2022

City of South Bend Corporate Agency

Asset	CUSIP	Quantity	Tax Cost	Market Value	Gain/Loss	Est. Income	Yield
Fixed Income							
Government Agency (continued)							
FHLMC MTN 2.850% 6/21/24	3134GXWD2	5,000,000	4,999,150.00	4,874,358.33	-124,791.67	142,500.00	2.92%
FNMA 0.250% 7/10/23	3135G05G4	5,305,000	5,310,033.89	5,186,897.44	-123,136.45	13,262.50	0.26%
FNMA 0.350% 8/18/23	3135G05T6	5,000,000	5,000,000.00	4,868,515.28	-131,484.72	17,500.00	0.36%
FNMA 0.420% 11/18/24	3135G06E8	2,000,000	1,999,500.00	1,841,243.33	-158,256.67	8,400.00	0.46%
FNMA 0.625% 12/30/25	3135GABA8	2,000,000	2,000,000.00	1,781,494.72	-218,505.28	12,500.00	0.70%
Total Fixed Income			\$196,324,623.92	\$189,839,387.44	\$-6,485,236.48	\$2,535,063.50	1.34%
Total Portfolio			\$199,728,390.05	\$193,251,197.11	\$-6,477,192.94	\$2,654,906.70	1.37%

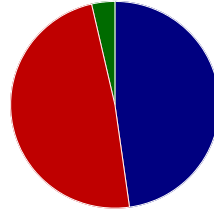
* Market values include accruals.

Fixed Income Summary as of 12/31/2022

City of South Bend Corporate Agency

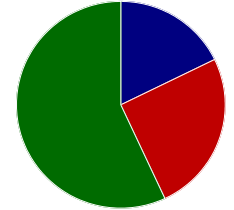
Maturity Summary

Maturity (Years)	Market Value	% Bond Holdings
0 - 1	90,663,710.65	47.8%
1 - 3	92,060,396.51	48.5%
3 - 5	7,115,280.28	3.7%
Total	\$189,839,387.44	100.0%



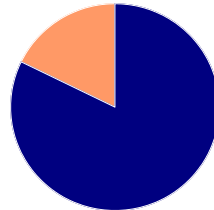
Asset Class Allocation

Subclass	Market Value	% Bond Holdings
Time Deposits	33,493,495.44	17.6%
US Treasury	48,024,403.55	25.3%
Government Agency	108,321,488.45	57.1%
Total	\$189,839,387.44	100.0%



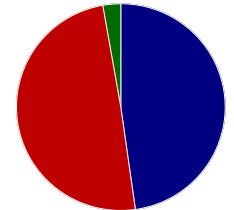
Bond Rating Summary

Credit Rating	Market Value	% Bond Holdings
AAA	156,345,892.00	82.4%
NR	33,493,495.44	17.6%
Total	\$189,839,387.44	100.0%



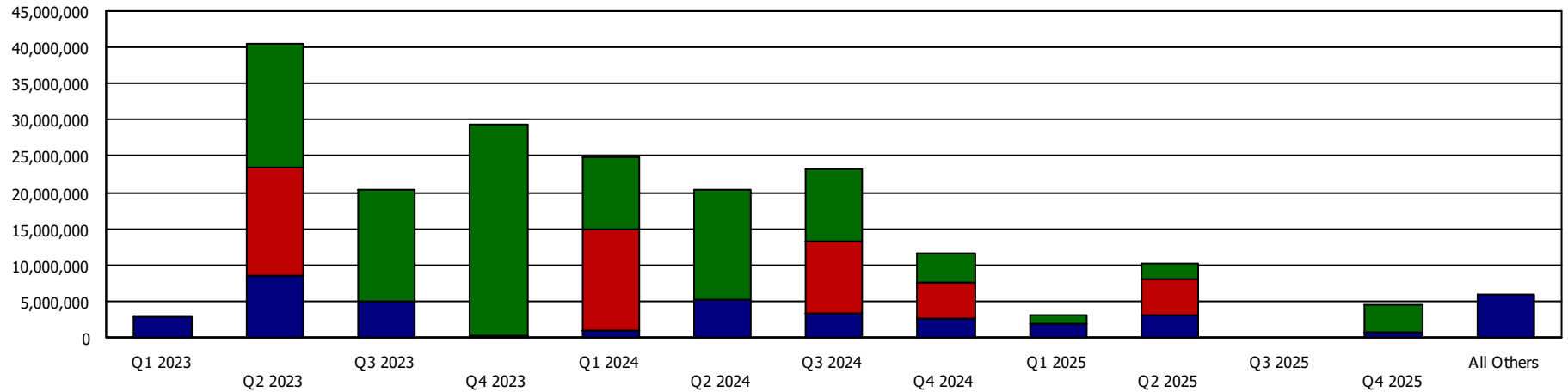
Duration Summary

Duration (Years)	Market Value	% Bond Holdings
Less than 1.00	90,914,357.57	47.9%
1.00 - 3.00	93,591,244.31	49.3%
3.00 - 5.00	5,333,785.56	2.8%
Total	\$189,839,387.44	100.0%



* Market values include accruals.

Par Value of Maturing Assets Over Time



Par Value of Maturing Assets Per Period

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
All Others	0	0	0	0	0	0
Time Deposits	2,750,000	8,500,000	5,000,000	250,000	1,000,000	5,250,000
US Treasury	0	15,000,000	0	0	14,000,000	0
Government Agency	0	17,000,000	15,305,000	29,125,000	9,900,000	15,000,000
Total	2,750,000	40,500,000	20,305,000	29,375,000	24,900,000	20,250,000
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
All Others	0	0	0	0	0	0
Time Deposits	3,250,000	2,500,000	2,000,000	3,150,000	0	699,000
US Treasury	10,000,000	5,000,000	0	5,000,000	0	0
Government Agency	10,000,000	4,000,000	1,000,000	2,000,000	0	3,750,000
Total	23,250,000	11,500,000	3,000,000	10,150,000	0	4,449,000



12/31/2022 CASH REPORT

City of South Bend
Report of Changes in Cash Balance
January 1, 2022 through December 31, 2022

	Beginning Cash Balance 1/1/2022	2022 Year to Date Revenue	2022 Year to Date Expenditures	Plus/(Minus) Accrual Adjustments	Surplus (Deficit)	Ending Cash Balance 12/31/2022	Cash Reserve Requirement	Variance Above/(Below) Reserve Req.
City Controlled Funds								
101 General Fund	54,208,073	49,257,256	72,880,424	60,529,720	36,906,552	91,114,625	39,954,018	51,160,608
Special Revenue Funds								
102 Rainy Day	10,910,077	135,496	-	(19,455)	116,041	11,026,118	8,717,131	2,308,987
201 Parks & Recreation	5,865,858	11,788,419	15,530,061	3,016,388	(725,253)	5,140,604	4,955,940	184,665
202 Motor Vehicle Highway	4,772,416	8,676,343	7,976,772	(2,175,310)	(1,475,738)	3,296,677	2,963,963	332,714
209 Studebaker-Oliver Revitalizing Grants	692,248	8,454	41,621	(1,221)	(34,388)	657,860	-	-
210 Economic Development State Grants	26,876	126,873	220,637	(9,015)	(102,778)	(75,903)	-	-
211 Dept of Community Investment Operating	394,125	3,409,761	3,512,638	(315,087)	(417,963)	(23,838)	-	-
212 Dept of Community Investment Grants	409,818	1,513,528	2,299,431	169,759	(616,143)	(206,326)	-	-
216 Police State Seizures	173,825	22,358	-	2,906	25,265	199,090	11,125	187,965
217 Gift, Donation, Bequest	978,522	259,132	251,930	(90,967)	(83,765)	894,757	-	-
218 Police Curfew Violations	13,880	178	14,059	-	(13,880)	-	-	-
219 Unsafe Building	764,981	78,317	16,910	(4,097)	57,310	822,291	-	-
220 Law Enforcement Continuing Education	378,981	845,257	511,556	5,061	338,762	717,743	137,142	580,601
221 Rental Units Regulation	87,416	113,260	74,998	(2,151)	36,110	123,526	-	-
227 Loss Recovery	414,099	5,143	-	(738)	4,404	418,504	-	-
230 Code Enforcement	497,492	3,235,321	3,382,262	(844,907)	(991,847)	(494,355)	-	-
249 Local Income Tax - Public Safety	3,844,465	8,467,392	10,248,840	722,985	(1,058,464)	2,786,001	-	-
251 Local Road & Street	2,349,376	2,020,548	1,870,111	(119,728)	30,709	2,380,085	-	-
257 LOIT Special Distribution	245,630	3,051	-	(438)	2,613	248,243	-	-
258 Human Rights Federal Grants	426,544	7,835	178,304	59,448	(111,021)	315,523	-	-
263 American Rescue Plan	29,536,642	30,079,070	2,312,701	(46,423,551)	(18,657,182)	10,879,460	-	-
264 COVID-19 Response	-	447,892	472,081	(54,964)	(79,153)	(79,153)	-	-
265 Local Road & Bridge Grant	704,875	2,370,149	594,751	(3,219)	1,772,179	2,477,054	-	-
266 MVH Restricted	2,042,332	3,789,847	3,753,972	(811,046)	(775,171)	1,267,161	-	-
273 Morris PAC / Palais Royale Marketing	74,809	43	74,852	-	(74,809)	-	-	-
274 Morris PAC Self-Promotion	264,010	150	264,160	-	(264,010)	-	-	-
280 Police Block Grants	4,162	2	4,165	-	(4,162)	-	-	-
289 Haz-Mat	28,102	3,353	200	(50)	3,104	31,206	2,500	28,706
291 Indiana River Rescue	360,311	130,210	83,975	(16,975)	29,261	389,572	27,340	362,232
292 Police Grants	26,716	-	26,716	-	(26,716)	-	-	-
294 Regional Police Academy	146,328	83	146,411	-	(146,328)	-	-	-
295 COPS MORE Grant	45,349	30	24,566	-	(24,536)	20,813	-	-
299 Police Federal Drug Enforcement	60,237	118,043	59,979	(90,569)	(32,505)	27,732	19,625	8,107
404 Local Income Tax - Certified Shares	18,631,245	11,382,162	13,034,712	(2,044,989)	(3,697,539)	14,933,706	8,798,204	6,135,502
408 Local Income Tax - Economic Development	24,795,353	12,097,921	13,152,252	179,804	(874,528)	23,920,825	14,972,339	8,948,487
410 Urban Development Action Grant	27,182	389,037	18,000	(701)	370,335	397,517	-	-
655 Project ReLeaf	282,057	457,791	358,744	21,962	121,008	403,065	112,427	290,638
705 Police K-9 Unit	2,435	1	2,436	-	(2,435)	-	-	-
730 City Cemetery	30,218	375	-	(54)	321	30,540	-	-
731 Bowman Cemetery	475,369	5,904	-	(848)	5,056	480,425	400,000	80,425
754 Industrial Revolving Fund	3,700,843	5,355,357	3,598,247	(6,004,757)	(4,247,647)	(546,805)	-	-
Total Special Revenue Funds	114,485,206	107,344,089	84,113,050	(54,856,525)	(31,625,486)	82,859,719	41,117,735	19,449,029
Debt Service Funds								
312 2017 Parks Bond Debt Service	184,163	664,820	1,169,365	516,954	12,409	196,572	-	-
350 2018 Fire Station #9 Bond Debt Service	-	344,156	344,156	-	-	-	-	-
672 Century Center Energy Conservation Debt Svc	196,702	383,046	402,367	(50,885)	(70,206)	126,496	-	-
752 South Bend Redevelopment Authority	242,425	3,057,619	3,040,677	(259,367)	(242,425)	-	-	-
755 South Bend Building Corporation	224,375	2,737,077	2,749,716	(211,796)	(224,435)	(60)	(60)	-
756 2015 Smart Streets Bond Debt Service	1,742,699	1,715,084	1,711,344	(1,746,439)	(1,742,699)	-	-	-
757 2015 Parks Bond Debt Service	587,763	343,179	372,556	(558,386)	(587,763)	-	-	-
760 2017 Eddy Street Commons Bond Debt Service	3,668,611	1,926,548	1,926,375	(3,668,784)	(3,668,611)	-	2,500,000	(2,500,000)
Total Debt Service Funds	6,846,739	11,171,530	11,716,557	(5,978,704)	(6,523,731)	323,008	2,499,940	(2,500,000)
Capital Funds								
287 Fire Department Capital	2,758,339	3,219,969	2,282,888	(1,581,006)	(643,925)	2,114,414	-	-
401 Coveleski Stadium Capital	814	21,196	17,784	(0)	3,412	4,226	-	-
406 Cumulative Capital Development	286,746	288,004	487,547	225,721	26,178	312,924	-	-
407 Cumulative Capital Improvement	651,096	102,759	445,567	90,622	(252,186)	398,910	-	-
412 Major Moves Construction	1,889,193	550,947	1,047,902	180,062	(316,893)	1,572,300	-	-
413 Professional Sports Convention Development Area	775,632	1,788,381	1,117,850	20,139	690,670	1,466,302	-	-
416 Morris Performing Arts Center Capital	1,912,926	6,510,003	6,895,366	(6,302,300)	(6,687,663)	(4,774,737)	-	-
450 Palais Royale Historic Preservation	93,481	15,485	-	(181)	15,305	108,786	-	-
451 2018 Fire Station #9 Bond Capital	316,090	3,926	-	(564)	3,362	319,452	-	-
453 Zoo Bond Capital	-	5,891,985	806,213	(5,085,771)	-	-	-	-
455 2021 Infrastructure Bond Capital	3,836,482	33,923	1,550,366	(18,028)	(1,534,471)	2,302,010	-	-
471 2017 Parks Bond Capital	4,259,726	41,749	1,608,708	(104,855)	(1,671,814)	2,587,911	-	-
750 Equipment/Vehicle Leasing	347,697	-	347,697	-	(347,697)	-	-	-
759 2017 Eddy Street Commons Bond Capital	25,763	25,565	-	(51,328)	(25,763)	-	-	-
Total Capital Funds	17,153,985	18,493,891	16,607,889	(12,627,489)	(10,741,487)	6,412,498	-	-

City of South Bend
Report of Changes in Cash Balance
January 1, 2022 through December 31, 2022

	Beginning Cash Balance 1/1/2022	2022 Year to Date Revenue	2022 Year to Date Expenditures	Plus/(Minus) Accrual Adjustments	Surplus (Deficit)	Ending Cash Balance 12/31/2022	Cash Reserve Requirement	Variance Above/(Below) Reserve Req.
Enterprise Funds								
600 Consolidated Building	2,102,372	1,750,614	1,692,941	(48,441)	9,232	2,111,604	511,713	1,599,890
601 Parking Garages	907,380	757,374	845,694	29,642	(58,678)	848,702	353,374	495,328
602 Morris Performing Arts Center Operations	-	1,601,025	1,023,295	(142,251)	435,479	435,479	168,358	267,121
610 Solid Waste Operations	906,471	6,717,856	7,360,466	43,838	(598,772)	307,699	710,676	(402,978)
611 Solid Waste Capital	779,163	2,530,214	1,739,934	(1,580,949)	(790,670)	(11,507)	-	-
620 Water Works Operations	6,550,457	19,370,989	20,843,316	770,522	(701,805)	5,848,652	1,265,680	4,582,972
622 Water Works Capital	9,672,979	3,720,571	2,409,390	(573,509)	737,672	10,410,650	-	-
624 Water Works Customer Deposit	1,279,314	10,755	-	25,442	36,197	1,315,511	1,315,511	-
625 Water Works Sinking (Debt Service)	-	2,233,625	195,723	(3,039)	2,034,863	2,034,863	-	-
626 Water Works Bond Reserve	1,422,804	11,674	-	(36,496)	(24,821)	1,397,982	1,397,982	-
629 Water Works Operations & Maintenance Reserve	2,912,652	39,322	-	(5,199)	34,123	2,946,775	3,111,318	(164,543)
640 Sewer Repair Insurance	2,003,861	716,299	760,337	(7,860)	(51,898)	1,951,963	248,267	1,703,696
641 Sewage Works Operations	13,825,371	38,104,703	37,243,708	1,596,568	2,457,564	16,282,935	2,325,575	13,957,360
642 Sewage Works Capital	14,359,708	3,564,013	3,298,067	(36,339)	229,607	14,589,315	-	-
643 Sewage Works Operations & Maintenance Reserve	5,550,801	45,549	-	(9,857)	35,692	5,586,493	5,290,960	295,534
649 Sewage Sinking (Debt Service)	-	9,311,673	7,513,373	(13,000)	1,785,300	1,785,300	-	-
653 Sewage Debt Service Reserve	3,749,760	30,770	-	(6,659)	24,111	3,773,871	3,773,871	-
654 Sewage Works Customer Deposit	903,840	9,135	-	272,466	281,601	1,185,442	1,185,442	-
667 Storm Sewer	1,604,154	1,057,530	1,356,570	(19,421)	(318,461)	1,285,693	-	-
670 Century Center Operations	194,350	4,660,916	3,676,799	(2,930,233)	(1,946,115)	(1,751,765)	1,023,739	(2,775,504)
671 Century Center Capital	983,710	3,258	-	(67)	3,191	986,901	800,000	186,901
Total Enterprise Funds	69,709,146	96,247,866	89,959,612	(2,674,842)	3,613,411	73,322,558	23,482,468	73,322,558
Internal Service Funds								
222 Central Services	658,666	8,650,518	8,970,553	(32,853)	(352,887)	305,778	887,373	(581,595)
226 Liability Insurance	6,100,867	2,914,259	4,411,791	451,604	(1,045,928)	5,054,939	3,251,539	1,803,400
278 Police Take Home Vehicle	698,546	49,472	-	2,460	51,931	750,477	750,000	477
279 IT / Innovation / 311 Call Center	3,482,865	8,537,778	8,349,852	962,002	1,149,929	4,632,794	-	-
711 Self-Funded Employee Benefits	10,786,414	15,734,141	15,274,008	(537,985)	(77,851)	10,708,563	4,599,966	6,108,597
713 Unemployment Compensation	-	77,256	24,444	25,066	77,878	77,878	20,000	57,878
714 Parental Leave	226,711	239,031	74,240	19,016	183,807	410,517	20,308	390,210
Total Internal Service Funds	21,954,068	36,202,455	37,104,887	889,310	(13,121)	21,940,947	9,529,185	7,778,967
Fiduciary Funds								
701 Fire Pension	420,180	4,072,807	3,785,909	(347,000)	(60,102)	360,078	459,189	(99,111)
702 Police Pension	560,923	6,020,254	5,475,824	(488,838)	55,592	616,515	605,774	10,741
718 State Tax Withholding Fund	795,612	-	-	(416,906)	(416,906)	378,707	378,707	-
725 Morris / Palais Box Office	791,599	-	-	(2,132,064)	(2,132,064)	(1,340,466)	(1,340,466)	-
726 Police Distributions Payable	1,641,403	-	-	(1,641,403)	(1,641,403)	-	-	-
Total Fiduciary Funds	4,209,716	10,093,061	9,261,733	(5,026,210)	(4,194,883)	14,833	103,204	(88,370)
Total City Controlled Funds	288,566,933	328,810,148	321,644,152	(19,744,741)	(12,578,744)	275,988,189	116,686,550	149,122,792
Redevelopment Commission Controlled Funds								
Tax Increment Financing Funds								
324 TIF - River West Development Area	33,713,041	10,725,346	15,699,947	6,412,295	1,437,694	35,150,735	-	-
422 TIF - West Washington	1,235,031	167,352	105,690	147,047	208,709	1,443,740	-	-
429 TIF - River East Development Area (NE Dev)	9,506,445	2,574,648	1,160,054	978,875	2,393,469	11,899,914	-	-
430 TIF - Southside Development Area #1	14,473,182	1,693,859	1,968,593	964,284	689,550	15,162,732	-	-
435 TIF - Douglas Road	257,579	197,127	210,455	113,682	100,355	357,934	-	-
436 TIF - River East Residential Area (NE Res)	5,429,968	3,595,145	4,902,703	2,716,364	1,408,806	6,838,775	-	-
Total Tax Increment Financing Funds	64,615,246	18,953,477	24,047,441	11,332,547	6,238,583	70,853,829	-	-
Redevelopment Funds								
433 Redevelopment General	3,187,994	1,412,799	791,917	(54,646)	566,236	3,754,230	347,821	3,406,410
439 Certified Technology Park	11,145	138	-	(20)	119	11,264	-	-
452 2018 TIF Park Bond Capital	2,433,236	30,016	23,208	(137,193)	(130,385)	2,302,851	-	-
454 Airport Urban Enterprise Zone	410,393	5,097	-	(732)	4,365	414,758	-	-
Total Redevelopment Funds	6,042,769	1,448,050	815,125	(192,591)	440,335	6,483,103	347,821	3,406,410
Debt Service Funds								
315 Airport 2003 Debt Reserve	1,040,462	8,538	-	(1,848)	6,690	1,047,153	1,047,153	-
328 SBCDA 2003 Debt Reserve	1,739,495	14,274	-	(3,089)	11,185	1,750,680	1,750,680	-
351 2018 TIF Park Bond Debt Service	1,035,750	12,863	-	(1,847)	11,016	1,046,766	1,046,766	-
352 2019 South Shore Double Tracking Debt Service	9,443	1,035,003	1,029,750	(14,696)	(9,443)	-	-	-
353 2020 TIF Library Bond Debt Service Reserve	326,944	15	16	(326,943)	(326,944)	-	-	-
Total Debt Service Funds	4,152,094	1,070,693	1,029,766	(348,422)	(307,495)	3,844,599	3,844,599	-
Total Redevelopment Commission Funds	74,810,109	21,472,220	25,892,332	10,791,534	6,371,423	81,181,531	4,192,419	3,406,410
Grand Total	363,377,042	350,282,368	347,536,484	(8,953,206)	(6,207,321)	357,169,720	120,878,969	152,529,202



INTEREST EARNINGS SUMMARY



**City of South Bend, Indiana
Interest Earnings Summary
Fiscal Year Ended December 31, 2022**

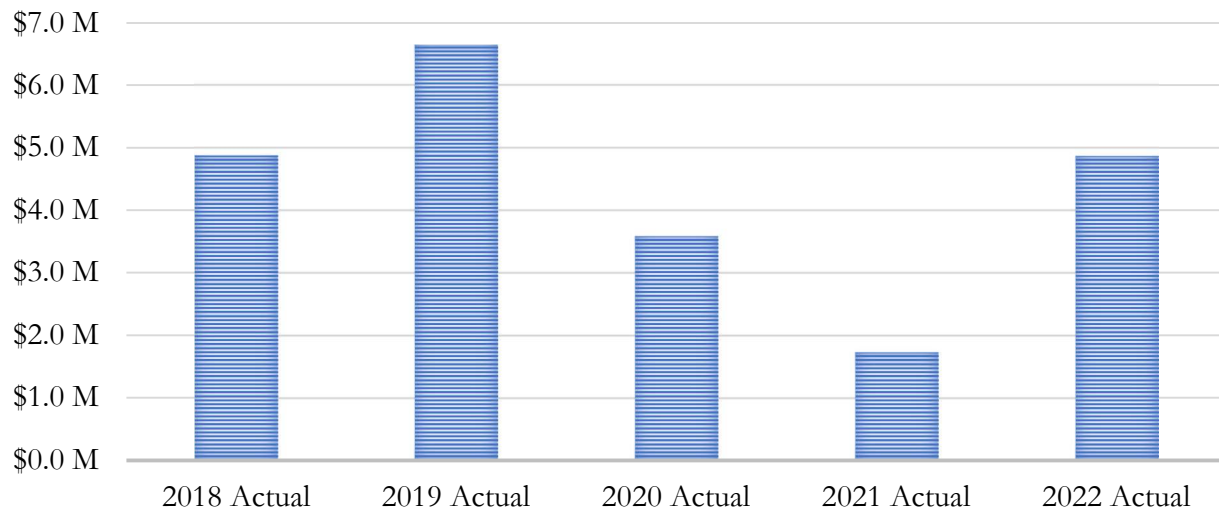
Month Earned	Month Received	1st Source Investment Interest	1st Source Checking Interest	Other Bank Accounts (1)	Cash with Fiscal Agent (2)	Total Interest Received
Dec 2021	Jan 2022	\$160,442.70	\$33,528.24	\$52.92	\$62.83	\$194,086.69
Jan 2022	Feb 2022	29,517.93	36,226.16	52.06	148.23	65,944.38
Feb 2022	Mar 2022	63,705.96	29,471.53	49.33	64.51	93,291.33
Mar 2022	Apr 2022	43,574.09	43,288.65	32.99	127.93	87,023.66
Apr 2022	May 2022	25,347.01	53,252.19	220.31	25,734.37	104,553.88
May 2022	June 2022	284,554.78	93,789.52	661.65	231.42	379,237.37
June 2022	July 2022	38,002.28	169,966.90	1,961.41	357.36	210,287.95
July 2022	Aug 2022	275,225.77	668,962.01	3,934.89	1,285.76	949,408.43
Aug 2022	Sep 2022	436,009.11	377,896.79	11,522.27	1,373.53	826,801.70
Sep 2022	Oct 2022	17,154.39	442,687.84	9,963.62	552.45	470,358.30
Oct 2022	Nov 2022	147,062.93	479,439.67	11,042.37	1,036.44	638,581.41
Nov 2022	Dec 2022	292,606.16	548,341.27	-	-	840,947.43
		<u>\$1,813,203.11</u>	<u>\$2,976,850.77</u>	<u>\$39,493.82</u>	<u>\$30,974.83</u>	<u>\$4,860,522.53</u>

(1) Interest earned on cash held at various banks including Centier Bank, Key Bank, and other.

(2) Interest earned on cash held in escrow accounts at Bank of New York Mellon and US Bank, and other.



Interest Earnings 2018-2022



<u>Year</u>	<u>Earnings</u>	<u>% Change Year to Year</u>
2018 Actual	4,868,861	-----
2019 Actual	6,643,916	36.5%
2020 Actual	3,578,226	-46.1%
2021 Actual	1,727,224	-51.7%
2022 Actual	4,860,523	181.4%

Notes to Interest Earnings Summary:

- The City of South Bend earns interest on checking account balances, certificates of deposit, repayment of loans on economic development projects, advances from the Major Moves Fund to the Northeast Residential and Douglas Road TIF Funds, and short-term investments.
- Investment and interest earnings are reported net of fees.
- Total par value of investment portfolio at 1st Source Bank:

May 11, 2011 – Investment account opened	\$150,000,000
January, 2013	175,000,000
January, 2017	185,000,000
April, 2021	200,000,000
- The increase in 2022 interest income is related to investments with lower yields maturing allowing for re-investment in higher yield securities.
- In 2022 the accounting methodology for investments was changed to accrue interest in the month it is earned rather than in the month of receipt. This change allows financial reports to better reflect the value of interest earned in relation to the cash and investment balances of the period.



City of South Bend, Indiana
 Interest Earnings Summary
 Fiscal Years 2018 through 2022
 December 31, 2022

FUND #	FUND NAME	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL
101	General Fund	\$487,006	\$724,748	\$492,302	\$290,597	\$576,610
102	Rainy Day	186,733	246,194	137,687	64,091	151,774
201	Parks & Recreation	84,863	126,119	21,738	20,758	37,000
202	Motor Vehicle Highway	139,982	146,469	59,007	23,518	52,030
203	Recreation Nonreverting	15,514	-	-	-	-
209	Studebaker-Oliver Revitalizing Grants	16,482	21,005	10,808	4,318	9,389
210	Economic Development State Grants	11,863	7,773	749	160	51
211	Dept of Community Investment Operating	14,360	13,570	12,986	6,023	3,006
212	Dept of Community Investment Grants	1,163	2,852	-	-	-
216	Police State Seizures	3,755	5,396	2,862	993	2,551
217	Gift, Donation, Bequest	2,527	12,695	11,424	6,884	13,750
218	Police Curfew Violations	236	306	167	82	8
219	Unsafe Building	6,040	14,604	11,167	4,812	11,010
220	Law Enforcement Continuing Education	10,040	9,307	5,560	2,229	8,766
221	Rental Units Regulation	140	279	645	728	1,596
222	Central Services	10,934	16,454	16,118	6,268	7,009
224	Central Services Capital	2,780	3,129	139	40	-
226	Liability Insurance	71,401	97,578	74,635	36,491	79,266
227	Loss Recovery	13,044	14,210	7,534	2,515	5,761
230	Code Enforcement Fund	-	-	2,492	941	1,438
249	Local Income Tax - Public Safety	22,716	65,117	46,805	25,015	30,151
251	Local Road & Street	71,117	111,308	65,026	18,850	34,259
257	LOIT Special Distribution	38,179	10,229	1,950	1,469	3,417
258	Human Rights Federal Grant	8,987	10,376	3,655	2,417	4,033
263	American Rescue Plan	-	-	-	81,618	707,757
265	Local Road & Bridge Grant	6,373	8,641	9,466	4,832	23,684
266	MVH Restricted Fund	-	12,367	15,230	9,704	23,918
273	Morris PAC / Palais Royale Marketing	1,041	1,506	945	453	43



274	Morris PAC Self-Promotion	814	3,175	2,576	1,355	150
278	Police Take Home Vehicle	13,630	17,664	8,942	4,038	10,132
279	IT / Innovation / 311 Call Center	31,487	54,428	34,050	14,598	53,385
280	Police Block Grants	71	94	53	24	2
281	Economic Develop Commission- Revenue Bonds	259	-	-	-	-
287	Fire Department Capital	81,118	71,960	17,117	8,474	25,168
288	Emergency Medical Services Operating	49,138	49,036	20,548	-	-
289	Haz-Mat	456	608	355	165	403
291	Indiana River Rescue	2,777	5,807	4,146	1,993	5,011
294	Regional Police Academy	1,739	2,588	1,587	819	83
295	COPS MORE Grant	2,334	4,036	1,281	432	30
299	Police Federal Drug Enforcement	2,654	3,131	723	192	1,002
312	2017 Parks Bond Debt Service	763	565	603	500	253
313	Football Hall of Fame Debt Service	141	27	-	-	-
315	Airport 2003 Debt Reserve	18,760	24,249	13,309	6,133	10,084
317	Coveleski Debt Service Reserve	9,396	1,076	-	-	-
324	TIF - River West Development Area	498,346	622,691	321,099	153,650	431,088
328	SBCDA 2003 Debt Reserve	31,363	40,541	22,251	10,253	16,859
351	2018 TIF Park Bond Debt Service	-	23,374	13,071	6,085	14,409
352	2019 South Shore Double Tracking Debt Service	-	-	13	3	3
353	2020 TIF Library Bond Debt Service Reserve	-	-	2	16	15
377	Professional Sports Development	37	1,201	-	-	-
401	Coveleski Stadium Capital	1,074	718	249	58	25
404	Local Income Tax - Certified Shares	186,016	296,751	162,840	87,126	205,239
405	Park Nonreverting Capital	1,200	-	-	-	-
406	Cumulative Capital Development	8,622	8,944	1,673	928	2,505
407	Cumulative Capital Improvement	5,687	11,646	8,167	3,682	7,039
408	Local Income Tax - Economic Development	264,870	393,399	234,476	128,951	353,542
410	Urban Development Action Grant	6,352	625	580	172	4,046
412	Major Moves Construction	168,342	161,549	26,326	9,556	26,999
413	Professional Sports Convention Development Area	-	-	-	218	14,387
416	Morris Performing Arts Center Capital	7,250	9,243	5,695	1,057	8,113
422	TIF - West Washington	38,510	37,241	13,049	7,164	18,135
425	Redevelopment Retail Area (Leighton Plaza)	2,729	206	-	-	-
429	TIF - River East Development Area (NE Dev)	161,666	216,095	95,624	39,992	146,645



430	TIF - Southside Development Area #1	150,223	210,559	128,384	75,461	200,851
433	Redevelopment General	2,969	18,819	17,823	13,014	44,323
435	TIF - Douglas Road	3,533	4,666	1,916	687	3,018
436	TIF - River East Residential Area (NE Res)	5,385	39,283	30,109	19,471	56,636
439	Certified Technology Park	11,138	11,102	141	65	155
450	Palais Royale Historic Preservation	2,143	2,523	1,055	493	1,417
451	2018 Fire Station #9 Bond Capital	56,076	40,384	4,604	1,857	4,397
452	2018 TIF Park Bond Capital	-	186,070	45,452	15,033	33,275
453	2018 Zoo Bond Capital	-	22,489	293	-	184
454	Airport Urban Enterprise Zone	7,024	9,261	5,179	2,411	5,709
455	2021 Infrastructure Bond Capital	-	-	-	21,221	37,031
471	2017 Parks Bond Capital	189,838	260,532	108,955	31,461	45,200
600	Consolidated Building Fund	47,231	45,340	27,060	12,194	28,301
601	Parking Garages	23,414	26,939	13,473	4,803	11,309
602	Morris Performing Arts Center	-	-	-	-	9,447
610	Solid Waste Operations	9,887	10,429	4,185	781	3,406
611	Solid Waste Capital	1,666	5,160	1,210	34	1,510
620	Water Works Operations	53,391	72,870	46,545	28,409	95,051
622	Water Works Capital	36,395	73,538	68,626	50,372	153,064
624	Water Works Customer Deposit	27,299	34,493	16,448	7,493	12,668
625	Water Works Sinking (Debt Service)	15,871	25,708	10,069	2,818	18,171
626	Water Works Bond Reserve	25,805	33,355	18,099	8,191	13,738
629	Water Works Operations & Maintenance Reserve	47,942	66,676	37,210	17,168	28,377
640	Sewer Repair Insurance	34,679	48,681	27,444	12,053	27,093
641	Sewage Works Operations	238,326	325,226	143,362	69,545	247,071
642	Sewage Works Capital	153,406	244,500	175,995	87,851	201,511
643	Sewage Works Operations & Maintenance Reserve	96,204	128,822	71,004	32,719	53,797
649	Sewage Sinking (Debt Service)	87,659	115,049	46,414	19,986	47,494
653	Sewage Debt Service Reserve	65,897	87,669	20,901	271	36,341
654	Sewage Works Customer Deposit	-	1,430	6,318	4,446	10,905
655	Project ReLeaf	14,362	13,753	5,792	2,322	4,980
659	Sewer Bond 2011	1	-	-	-	-
661	Sewer Bond 2012	3,229	-	-	-	-
667	Storm Sewer Fund	-	836	5,336	7,492	22,740
670	Century Center Operations	-	6	25	54	426
671	Century Center Capital	2,026	12,966	1,931	98	5,748
672	Century Center Energy	110,118	108,178	3,117	1,574	2,773



Conservation Debt Service						
677	Football Hall of Fame Capital	7,804	2,311	-	-	-
701	Fire Pension	7,526	7,304	3,571	1,809	6,207
702	Police Pension	15,005	14,180	5,961	2,305	9,558
705	Police K-9 Unit	52	55	31	14	1
711	Self-Funded Employee Benefits	212,822	251,340	127,164	62,791	153,013
713	Unemployment Compensation	3,874	4,479	1,922	69	899
714	Parental Leave Fund	481	805	883	1,125	4,817
730	City Cemetery Trust	517	682	380	178	420
731	Bowman Cemetery	-	10,724	5,981	2,793	6,613
750	Equipment/Vehicle Leasing	31,473	16,775	690	17	-
751	2015 Parks Bond Capital	4,813	840	-	-	-
752	South Bend Redevelopment Authority	4,699	6,383	2,351	71	2,119
753	2015 Smart Streets Bond Capital	1,060	124	-	-	-
754	Industrial Revolving Fund	206,484	263,452	-	380	37,988
755	South Bend Building Corporation	10,314	15,243	3,478	58	1,077
756	2015 Smart Streets Bond Debt Service	4,588	4,629	869	91	84
757	2015 Parks Bond Debt Service	2,787	3,527	807	47	846
759	2017 Eddy Street Commons Bond Capital	121	65	306,537	1	25,565
760	2017 Eddy Street Commons Bond Debt Service	6,428	8,792	1,623	184	173
	Total Interest	\$4,868,861	\$6,643,916	\$3,578,226	\$1,727,224	\$4,860,523



CASH MANAGEMENT & INVESTMENT POLICIES



ADMINISTRATION & FINANCE POLICIES

City of South Bend Cash Management and Investments Policy

Section 1. Authority

The City Controller (the “Controller”) of the City of South Bend, Indiana (the “City”) adopts this statement of policy (this “Policy”) pursuant to the Controller’s authority as the head of the Administration and Finance Department (the “Department”) under South Bend Municipal Code [Section 2-21\(b\)](#).

Section 2. Background and Purposes

The purpose of this Policy and the accompanying supplements is to set forth policies and procedures related to the City’s management of cash and investments. The City is permitted to invest funds in accordance with Indiana Code [5-13-9](#).

Maintaining adequate access to liquid assets (cash and investments) is of paramount importance to the City. The City’s liquidity is a major component of its overall fiscal health. The ability to access adequate cash reserves when needed is important for maintaining service levels during periods of lowered tax revenue or for ensuring that non-discretionary expenses (such as debt service) are adequately funded. Additionally, maintaining strong cash reserves is one of the foundations of the City’s General Obligation Bond Rating, which is currently one of the highest in the state.

In addition to the importance of maintaining strong liquidity, it is important that the City strive to increase its investment and interest income, within the confines of Indiana law and prudent financial management. Indiana law strictly limits the types of investments that the City is permitted to hold, which constrains income opportunity but also reduces risk of investment loss. This Policy will define the City’s investment philosophy and procedures designed to ensure compliance with all applicable laws and regulations.

The City recognizes that cash management procedures (including receipt, deposit, and reconciliation) carry inherent risk that must be mitigated with appropriate internal control procedures. This Policy will outline these internal controls that must be followed to protect employees and ensure that the City remains a good steward of taxpayer dollars.

The City’s financial system is Microsoft Dynamics 365 for Finance and Operations (“DFO”). DFO serves as the sole record of cash balances, cash receipts, and cash payments in the City. Any cash receipts that are initially recorded in a separate system must also be recorded in DFO. See the [City of South Bend Revenue Recognition Policy](#) for more information.

Section 3. Roles and Responsibilities

Controller

The Controller is responsible for the overall cash management and investment strategy for the City. It is the Controller’s responsibility to define acceptable cash reserve requirements and enforce corrective actions (as prescribed in this Policy) when cash reserve requirements are not met. Additionally, it is the Controller’s responsibility to oversee the City’s investments, including hiring and providing oversight to outside investment management consultants. Finally, the Controller is responsible for designing cash management procedures (including cash receipt and reconciliation) that mitigate inherent risks of cash handling through strong internal control. In fulfilling the Controller’s responsibilities under this Policy, the Controller is assisted by the Deputy City Controller and may delegate all appropriate authority to the Deputy City Controller to achieve the purposes of this Policy.



Director of Treasury

Under the direction of the Controller, the City's Director of Treasury is responsible for the day-to-day management of the City's cash and investment portfolio. This includes performing all bank reconciliations and resolving discrepancies, as well as serving as the point of contact for City employees, bank representatives, or investment management professionals on matters of cash handling, cash management, or investment management. The Director of Treasury is also responsible for ensuring that correct cash handling procedures are followed.

Directors of Department Finance

Directors of Department Finance are responsible for ensuring that cash receipts are correctly entered into DFO as they are received by various members of their assigned departments. Additionally, Directors of Department Finance work with the Director of Treasury to ensure that proper cash handling procedures are followed in each department and to identify cash receipts that are received by the Director of Treasury (especially those received via wire transfer or automated clearing house (ACH)).

Section 4. Establishment of Procedures

Except as otherwise provided, it is the Controller's responsibility to establish, direct, modify, and otherwise maintain, from time to time as the Controller may determine in the Controller's discretion, the procedures for carrying out the administrative and financial activities associated with the subject matter of this Policy. Due to the fundamental importance of maintaining strong cash reserves and the inherent risks associated with handling cash reserves, the Controller has established, both within and without DFO, certain rules and procedures for all divisions of the City to protect the City's financial position and safeguard the City's assets, including appropriate internal control measures in accordance with the [City of South Bend Internal Control Policy](#) and its supplemental materials. Those rules and procedures are included as supplements to this Policy and may be amended, supplemented, or eliminated from time to time as the Controller may deem appropriate, without the need for further approval of the Mayor or amendment to this Policy.

Section 5. Effective Date and Approval

This Policy is effective on May 1, 2021, and supersedes all prior policies addressing the same subject matter.

Established pursuant to South Bend Municipal Code Sec. 2-21(b):

Daniel Parker, City Controller
Date: May 10, 2021

Approved pursuant to South Bend Municipal Code Sec. 2-21(c):

James Mueller, Mayor
Date: May 10, 2021



ADMINISTRATION & FINANCE POLICIES

Supplement 202 – Investments

The City shall invest excess cash in various investment vehicles as allowed by Indiana law. The City shall make all investments, in both Deposit and Investment Accounts, in accordance with the terms and limitations of Indiana Code [5-13-9](#). The current authorization for the City to engage in these investment activities comes from [Ordinance No. 10909-22](#). The City's practice is to obtain this authorization via an ordinance on an annual basis, so as to maintain the maximum investment flexibility under Indiana Code [5-13-9](#).

Board of Finance

The local Board of Finance (as defined in [Indiana Code 5-13-7](#)) will review the investment policy and will receive an investment report on an annual basis coincident with the Annual Meeting of the Board of Finance, held after the 1st Monday in January and before January 31st.

Valuation of Investments

Currently, the total amount invested is \$200 million. On a monthly basis, the City's investment custodian (currently 1st Source) transfers any gain in market value over \$200 million or direct dividends paid from investments into the City's depository bank account. This investment income is allocated using the procedures described in [Supplement 203](#).

The City will not track the current fair market value of investments on a monthly basis in DFO. Rather, the City's books will be adjusted for FMV of investments on an annual basis only.



ADMINISTRATION & FINANCE POLICIES

Supplement 208 - Cash Reserve Requirements

The City of South Bend has established the following cash reserve guidelines to ensure adequate liquidity. Cash reserves are defined as cash balances on hand less outstanding encumbrances. “Annual expenditures” in each fund do not include capital expenditures.

Fund	Fund Name	Cash Reserve Policy
101	General Fund	50% of annual expenditures
102	Rainy Day	3% of prior year operational expenditures in Civil City funds, excluding interfund transfers
201	Parks & Recreation	25% of annual expenditures
202	Motor Vehicle Highway	25% of annual expenditures
209	Studebaker/Oliver Reverting Grants	No reserve requirement - Grant fund - spend down to zero
210	Department of Community Investment State Grants	No reserve requirement - Grant fund - spend down to zero
211	Department of Community Investment Operating	No reserve requirement
212	Department of Community Investment Grants	No reserve requirement - Grant fund - spend down to zero
216	Police State Seizures	25% of annual expenditures
217	Gift, Donation, Bequest	No reserve requirement
219	Unsafe Building	No reserve requirement
220	Law Enforcement Continuing Education	25% of annual expenditures
221	Rental Units Regulation	No reserve requirement
222	Central Services	No reserve requirement
226	Liability Insurance	50% of annual expenditures
227	Loss Recovery	No reserve requirement
230	Code Enforcement	No reserve requirement
249	Local Income Tax - Public Safety	No reserve requirement



Fund	Fund Name	Cash Reserve Policy
251	Local Road & Street	25% of annual expenditures
257	LOIT 2016 Special Distribution	No reserve requirement
258	Human Rights Federal Grants	No reserve requirement - Grant fund - spend down to zero
263	American Rescue Plan	No reserve requirement - Grant fund - spend down to zero
264	COVID-19 Response	No reserve requirement
265	Local Road & Bridge Matching Grant	No reserve requirement - Grant fund - spend down to zero
266	MVH Restricted	No reserve requirement
278	Police Take Home Vehicle	\$750,000 minimum
279	IT / Innovation / 311 Call Center	No reserve requirement
287	Fire Department Capital	No reserve requirement - Capital fund - spend down to zero
289	Haz-Mat	25% of annual expenditures
291	Indiana River Rescue	25% of annual expenditures
299	Police Federal Drug Enforcement	25% of annual expenditures
312	2017 Parks Bond Debt Service	No reserve requirement
315	Airport 2003 Debt Reserve	100% of debt service reserve per bond covenants
324	TIF - River West Development Area	No reserve requirement
328	SBCDA 2003 Debt Reserve	100% debt service reserve per bond covenants
350	2018 Fire Station #9 Bond Debt Service	No reserve requirement
351	2018 TIF Parks Bond Debt Service	100% debt service reserve per bond covenants
352	2019 South Shore Double Tracking Debt Service	No reserve requirement
353	2020 TIF Library Bond Debt Service Reserve	100% debt service reserve per bond covenants
401	Coveleski Stadium Capital	No reserve requirement - Capital fund - spend down to zero



Fund	Fund Name	Cash Reserve Policy
404	Local Income Tax - Certified Shares	50% of annual expenditures
406	Cumulative Capital Development	No reserve requirement - Capital fund - spend down to zero
407	Cumulative Capital Improvement	No reserve requirement - Capital fund - spend down to zero
408	Local Income Tax - Economic Development	50% of annual expenditures
410	Urban Development Action Grant (UDAG)	No reserve requirement - Grant fund - spend down to zero
412	Major Moves Construction	No reserve requirement - Capital fund - spend down to zero
413	Professional Sports Convention Development Area (PSCDA)	No reserve requirement - Capital fund - spend down to zero
416	Morris Performing Arts Center Capital	No reserve requirement - Capital fund - spend down to zero
422	TIF - West Washington	No reserve requirement
429	TIF - River East Development Area (NE Dev)	No reserve requirement
430	TIF - Southside Development Area #1	No reserve requirement
433	Redevelopment General	25% of annual expenditures
435	TIF - Douglas Road	No reserve requirement
436	TIF - River East Residential (NE Res)	No reserve requirement
439	Certified Technology Park	No reserve requirement
450	Palais Royale Historic Preservation	No reserve requirement
451	2018 Fire Station #9 Bond Capital	No reserve requirement - Bond capital fund - spend down to zero
452	2018 TIF Parks Bond Capital	No reserve requirement - Bond capital fund - spend down to zero
453	Zoo Bond Capital	No reserve requirement - Bond capital fund - spend down to zero
454	Airport Urban Enterprise Zone	No reserve requirement
455	2021 Infrastructure Bond Capital	No reserve requirement - Bond capital fund - spend down to zero



Fund	Fund Name	Cash Reserve Policy
471	2017 Parks Bond Capital	No reserve requirement - Bond capital fund - spend down to zero
600	Consolidated Building Department	25% of annual expenditures
601	Parking Garages	25% of annual expenditures
602	Morris Performing Arts Center Operations	10% of annual expenditures
610	Solid Waste Operations	10% of annual expenditures
611	Solid Waste Capital	No reserve requirement - Capital fund - spend down to zero
620	Water Works Operations	5% of annual expenditures
622	Water Works Capital	No reserve requirement - Capital fund - spend down to zero
624	Water Works Customer Deposit	100% cash reserves for customer deposits
625	Water Works Sinking (Debt Service)	No reserve requirement
626	Water Works Bond Reserve	100% cash reserves per bond covenants
629	Water Works Operations & Maintenance Reserve	16.67% of annual operating expenses in fund 620, net of transfers
640	Sewer Repair Insurance	25% of annual expenditures
641	Sewage Works Operations	5% of annual expenditures
642	Sewage Works Capital	No reserve requirement - Capital fund - spend down to zero
643	Sewage Works Operations & Maintenance Reserve	16.67% of annual operating expenses in fund 641, net of transfers
649	Sewage Works Sinking (Debt Service)	No reserve requirement
653	Sewage Works Debt Service Reserve	100% cash reserves per bond covenants
654	Sewage Works Customer Deposit	100% cash reserves for customer deposits
655	Project ReLeaf (Leaf Pickup and Removal)	25% of annual expenditures
667	Storm Sewer	No reserve requirement - Capital fund - spend down to zero



Fund	Fund Name	Cash Reserve Policy
670	Century Center Operations	25% of annual expenditures
671	Century Center Capital	\$800,000 minimum
672	Century Center Energy Conservation Bond	No reserve requirement
701	Firefighters Pension	10% of annual expenditures
702	Police Pension	10% of annual expenditures
709	Payroll Clearing	No reserve requirement – clearing fund
711	Self-Funded Employee Benefits	25% of annual expenditures
713	Unemployment Compensation	25% of annual expenditures
714	Parental Leave	8% of annual expenditures – 1 month of expenditures
718	State Tax Withholding Fund	100% cash reserves
725	Morris / Palais Box Office	100% cash reserves
726	Police Distributions Payable	100% cash reserves
730	City Cemetery	25% of annual expenditures
731	Bowman Cemetery	\$400,000 minimum
750	Equipment/Vehicle Leasing	No reserve requirement - Capital lease fund - spend down to zero
752	South Bend Redevelopment Authority	100% cash reserves per bond covenants
754	Industrial Revolving Fund	No City reserve requirement; there are program requirements
755	South Bend Building Corporation	100% cash reserves per bond covenants
756	2015 Smart Streets Bond Debt Service	100% cash reserves per bond covenants
757	2015 Parks Bond Debt Service	100% cash reserves per bond covenants
759	2017 Eddy Street Commons Bond Capital	No reserve requirement - Bond capital fund - spend down to zero
760	2017 Eddy Street Commons Bond Debt Service	\$2,500,000 minimum per bond covenant



Wealth Advisory Services



Paul W. Gifford, Jr., CFA
office: 574 235-2751
mobile: 574 274-2246
GiffordP@1stsource.com

Title: Senior Vice President and
Chief Investment Officer

Education: B.S. Finance (magna cum laude)
University of Minnesota - Mankato
Mankato, Minnesota

Background: Paul joined the Investment Management Group in 2000 as the Senior Fixed Income Manager and in 2008 became the Chief Investment Officer. He leads the team's strategy, construction and implementation of client portfolios. Prior to joining 1st Source, he worked for Bremer Trust, N.A in Minnesota. Since beginning his investment career in 1998, Paul has gained experience in trading, portfolio management, sales and product development.

Organizations: Paul is a member of the CFA Institute, Christ the King Lutheran Church and South Bend Medical Foundation.

*Our Mission is to help our clients achieve security,
build wealth and realize their dreams.*



Wealth Advisory Services



Erik Clapsaddle, CFA, CFP®
office: 574 235-2754
mobile: 248 808-4281
ClapsaddleE@1stsource.com

Title: Vice President and Senior Fixed Income Portfolio Manager

Education: B.S. Marketing, Finance minor
York College
York, Pennsylvania

Background: Erik joined 1st Source in 2015 after working with Comerica in Detroit as a Senior Fixed Income Analyst & Strategist for seven years, and prior as a Closely-Held Investment Analyst for two years. He worked as a manager of fixed income analytics and worked closely with the capital markets and investment banking businesses. His work has focused on credit analytics, valuation, interest rate strategies, and macro-strategy. Erik has developed and implemented tailored portfolio asset allocation strategies, which were focused on fixed income, for a wide array of clients with a large range of financial instruments.

Organizations: Erik is active coaching local youth sports teams. He earned a B.S. in Marketing with Minors in Finance and Music Industry from York College of Pennsylvania.

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Wealth Advisory Services



Delia Salazar
Trust Officer
office: 574-235-2465
nichollsd@1stsource.com

Delia joined the 1st Source family in 2022 first working in our Personal Trust Tax group where she gained valuable insight into trusts and estates. With her past experience working alongside attorneys in a legal setting, Personal Trust Administration appealed to her and she joined that team serving clients more directly. Delia earned her B.S. in Communication at the University of Indianapolis in 2004, a B.S. in Psychology from The University of Michigan-Flint in 2012 and attended law school. This unique combination of education, paired with years of customer service experience allows Delia to truly understand and provide clients with the utmost care. As a Plymouth native, Delia is looking forward to developing relationships with clients and reconnecting with the northern Indiana community. Delia is currently working toward her Certified Trust and Financial Advisor (CTFA) certification.

GENERATION *to* GENERATION

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