



CITY OF SOUTH BEND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING ON DECEMBER 31, 2016

CITY OF SOUTH BEND, INDIANA

Pete Buttigieg, Mayor

John Murphy, City Controller

Jennifer Hockenhull, 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	01-01-16 to 12-31-19
Controller	John Murphy	01-01-16 to 12-31-16
City Clerk	Kareemah Fowler	01-01-16 to 12-31-19
President of the Board of Public Works	Gary A. Gilot	01-01-12 to 12-31-16
Common Council Members		
1 st District	Tim Scott	01-01-16 to 12-31-19
2 nd District	Regina Williams-Preston	01-01-16 to 12-31-19
3 rd District	Randy Kelly	01-01-16 to 12-31-19
4 th District	Jo M. Borden	01-01-16 to 12-31-19
5 th District	David Varner	01-01-16 to 12-31-19
6 th District	Oliver Davis	01-01-16 to 12-31-19
At Large	Karen L. White	01-01-16 to 12-31-19
At Large	John Voorde	01-01-16 to 12-31-19
At Large	Gavin Ferlic	01-01-16 to 12-31-19



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

June 30, 2017

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, 2016** 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, 2015. 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). Population estimates in 2016 suggest that the city experienced its largest one-year increase in nearly a quarter-century, pointing the way to further growth before the 2020 census. 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 of South Bend has a bond rating of AA with Standards & Poors, one of the highest bond ratings for any city in the State of Indiana.

The City provides a full range of traditional general governmental services to its residents. 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 South Bend/Elkhart region. The region 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. In 2017, the City of South Bend announced plans to partner with the Federal, State and other local governments to reduce the South Shore Line travel time to downtown Chicago to 90 minutes or less by the year 2020. When completed, this project will be transformative to the local economy.

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 has remained fairly flat during the past decade increasing by only 1,372 residents from 2000 to 2010.

The estimated labor force in St. Joseph County is 130,912 workers (2015, STATS Indiana, using data from the Indiana Department of Workforce Development). The workers are typical of the Midwest: well-trained with a strong work ethic. Approximately 88.4% of the area's adult population are high school graduates or higher (as compared to the national average of 75%) with an estimated 27.2% with a Bachelor's Degree or higher. There are ten colleges, universities and technical schools within South Bend and the surrounding area including the University of Notre Dame; Indiana University South Bend; Bethel College; Saint Mary's College; Purdue University College of Technology at South Bend; Holy Cross College; Trine University South Bend; American National University; ITT Technical Institute; and Ivy Tech Community College. As of November 2016, St. Joseph County is experiencing an unemployment rate of 4.2%, which is slightly higher than the State of Indiana unemployment rate of 3.9%. The unemployment rate in St. Joseph County is somewhat similar than some of its surrounding counties—Elkhart (3.3%), LaPorte (5.1%), and Marshall (3.3%) in Indiana and Cass (4.3%) and Berrien (4.4%) in Michigan (as of November 2016).

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 2011-2015 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	34,474	28.0%
Manufacturing	21,440	17.4%
Retail Trade	13,845	11.2%
Arts, Entertainment, Recreation, Accommodation, Food Services	11,135	9.0%
Professional, Scientific, Management, Administrative, Waste Management Services	10,216	8.3%
Finance and Insurance, Real Estate, Rentals, Leasing	6,412	5.2%
Construction	5,732	4.7%
Other Services, except Public Administration	5,533	4.5%
Transportation and Warehousing, and Utilities	4,702	3.8%
Public Administration	3,503	2.9%
Wholesale Trade	3,444	2.8%
Information	2,210	1.8%
Agriculture, Forestry, Fishing, Hunting, Mining	<u>524</u>	<u>0.4%</u>
Total	123,170	100.0%

St. Joseph County presently has an estimated 102,005 households with an average per capita personal income of \$43,040, which compares to the State of Indiana average per capita personal income of \$41,940 and the United States per capita personal income of \$56,430. The per capita income in St. Joseph County compares favorably with most of its surrounding counties—Elkhart (\$39,882), La Porte (\$37,827), and Marshall (\$36,958) in Indiana and Cass (\$19,474) 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 August 2015 were as follows: University of Notre Dame (5,802); Beacon Health Systems (4,683); South Bend Community School Corporation (3,615); St. Joseph Health Systems (2,626); Indiana University – South Bend (1,277); City of South Bend (1,139); St. Joseph County (1,068); AM General (800); Honeywell Aerospace (700); and Press Ganey (694).

The following provides a profile of the residents of St. Joseph County (US Census Bureau 2011-2015 American Community Survey 5-Year):

Gender %, male/female:	48.4% male; 51.6% female
Age:	24.1% under 19 11.2% 19-24 years of age 24.8% 25-44 years of age 25.9% 45-64 years of age 14.0% 65 years of age and older
Race:	74.4% White 12.8% Black/African American 8.0% Hispanic/Latino 2.0% Asian 2.8% Other
Home Ownership:	68.5% own; 31.5% rent/other

The cost of living continues to be one of the greatest advantages of living in this community. The housing costs in South Bend are well below the national and regional averages. Per a report compiled by the National Association of Realtors in the third quarter of 2016, the median sales price for a single family home in the South Bend-Mishawaka Statistical Area was \$128,500 as compared to a median sales price of \$244,100 in Chicago and \$164,100 in Indianapolis. The national median sales price is \$240,900.

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. It made the name Studebaker synonymous with the area of South Bend and 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 and aerospace products. The Singer Sewing Company and the Oliver Chilled Plow Works were other important companies during the early history of South Bend.

In the 1840s and 1850s, many South Bend residents were secretly involved in helping fugitive slaves escape from the South through the Underground Railroad. Many residents of South Bend and St. Joseph County offered their homes, barns and businesses up as “stations” or safe places in which runaways could eat and rest as they made their way North. Most notable among local Underground Railroad conductors was James Washington, a well-known and well-respected free Black in South Bend. Mr. Washington was a barber who, along with Mr. Sawyer, collected money from local citizens to fund the Underground Railroad.

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 with the Chamber and Pops Orchestras, 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; Copshaholm/The Oliver Mansion; Century Center; Potawatomi Zoo; the Morris Conservatory/Muessel-Ellison Tropical Gardens; Healthworks! Kids Museum; the Farmers’ Market; and the Byers 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. The stadium is home to the South Bend Cubs, a minor league team affiliated with the Chicago Cubs.

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. On November 28, 2016, the South Bend Common Council approved a new Internal Controls policy for the City.

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, 2016 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. 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. When elected at age 29, Mayor Buttigieg was the youngest chief executive of a municipality exceeding 100,000 residents in the United States. During 2012, Mayor Buttigieg launched eight new 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 residents' 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. As of December 31, 2016, the 311 Call Center has taken an excess of 633,000 calls since inception.
4. Strong Partnership with Schools – the Mayor has improved dialogue with the South Bend Community 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 continues to conduct a series of monthly "Mayor's Night Out" and "Mayor's Night In" events around town to allow residents to speak to him and his department heads directly about concerns and ideas. Also, efforts to implement a first-class performance management system has been initiated and departmental performance measures are being monitored on a monthly basis. 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 a strategy and initiated an aggressive three-year program – 1,000 buildings in 1,000 days – to reduce the number of vacant and abandoned buildings. In October 2015, the 1,000th building was addressed. The City is now working on phase II of the program – dealing with the now vacant lots created by the demolition of the buildings.

7. Smart Streets – an effort to improve the role of streets within South Bend. Projects within this initiative utilizes 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. In 2015, a \$25 million bond was issued to aide in the completion of this project in a timely fashion. A majority of this work has been completed as of November 30, 2016.
8. South Bend Group Violence Intervention (SBGVI) – unites community leaders around a common goal: to stop violence and keep South Bend’s highest risk residents alive and out of prison. SBGVI is a partnership among 30 community leaders from law enforcement, government, education, civil services, health-care and faith-based agencies.

City Values

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

	In the administration	In the community
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.	Establish a path for major indicators of resident well-being to reach the status of best-in-state or top-25% nationally, including the means to measure progress.
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.	Promote a culture of civic engagement in which we hold one another to a high standard of respect, stewardship, and support for our shared community.
INNOVATION	Deliver better services more efficiently by introducing creative approaches to government operations, questioning habit and using evidence to continually improve.	Foster a culture of innovation in South Bend’s social and private sectors, seeking and developing the best ideas and practices from within and beyond our city limits.

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.	Develop a community in which everyone has an equal opportunity to thrive by expanding access and participation to all, incorporating diverse voices throughout the city.
EMPOWERMENT	Establish a work environment that enables employees to contribute richly to the administration and the community, taking pride and ownership in our work.	Support the ability of all residents to live a safe, healthy, meaningful life in South Bend, contributing as they are able and benefiting from all that our community offers.

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. Empower All Residents with Education, Mobility and Technology

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, 2015. This was the 26th 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.

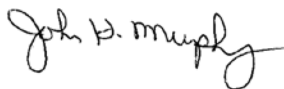
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

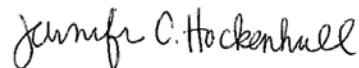
The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Department of Administration and Finance. Each fiscal officer and member of the Administration and Finance Department has our 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, Amy Shirk, Consultant Bruce Snyder 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 and Alex Flores) 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
Chief Financial Officer



Jennifer Hockenull, CPA
City Controller



Government Finance Officers Association

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

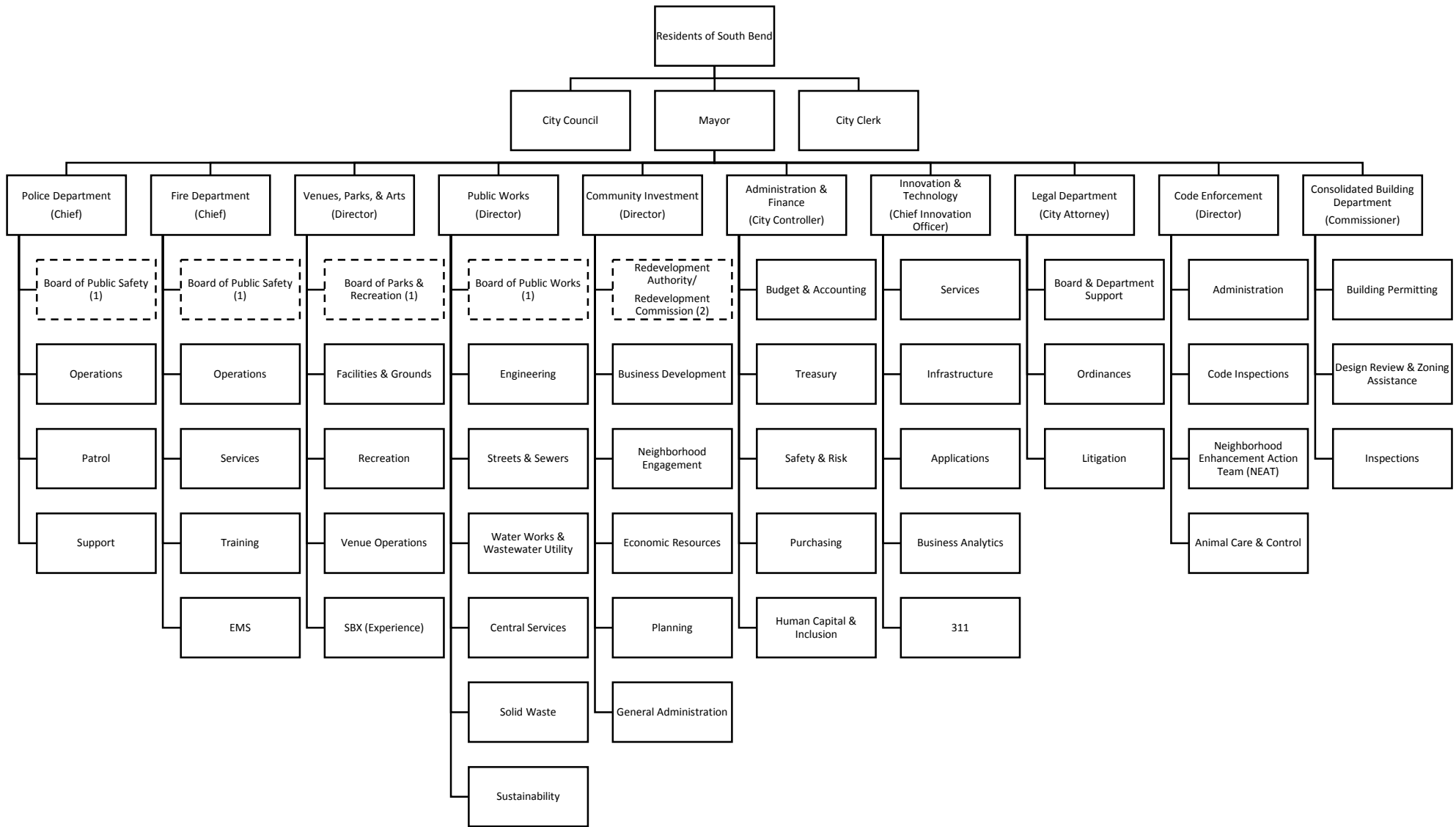
Presented to

**City of South Bend
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



(1) Board Members include Mayoral Appointments

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



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, 2016, 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 from 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 City'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of 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's basic financial statements. The accompanying Combining Balance Sheet, Combining Statement of Revenue, Expenditures and Changes in Fund Balances, Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, Combining Statements of Net Position, Combining Statements of Revenue, Expenses, and Changes in Net Position, Combining Statements of Cash Flows, Statement of Assets 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, Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, Combining Statements of Net Position, Combining Statements of Revenue, Expenses, and Changes in Net Position, Combining Statements of Cash Flows, Statement of Assets 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 relates 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, 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 the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 5, 2017

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, 2016**.

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.

The City of 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 residents. 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, Wastewater Utility and Solid Waste 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.

Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2016	2015	2016	2015	2016	2015
Assets/deferred outflows	\$ 516,480,560	\$ 516,636,797	\$ 320,179,055	\$ 317,443,817	\$ 836,659,615	\$ 834,080,614
Liabilities/deferred inflows	353,797,922	375,776,902	117,568,564	122,632,404	471,366,486	498,409,306
Net position						
Net investment in capital assets	161,341,318	157,604,691	145,288,974	141,998,384	306,630,292	299,603,075
Restricted	8,669,117	9,137,552	31,963,852	28,397,290	40,632,969	37,534,842
Unrestricted	-7,327,797	-25,882,348	25,357,665	24,415,739	18,029,868	-1,466,609
Total net position	\$ 162,682,638	\$ 140,859,895	\$ 202,610,491	\$ 194,811,413	\$ 365,293,129	\$ 335,671,308
Change vs. prior year	\$ 21,822,743	\$ 3,890,735	\$ 7,799,078	\$ 6,387,416	\$ 29,621,821	\$ 10,278,151
Expenses	134,519,353	164,310,194	64,067,328	61,899,676	198,586,681	226,209,870
Revenues	152,661,080	143,906,425	75,547,422	75,039,628	228,208,502	218,946,053

- Government-wide net position was \$365,293,129 as of December 31, 2016.
- Government-wide net position increased by \$29,621,821 or 8.8% during fiscal 2016. Governmental activity net position increased by \$21,822,743 or 15.5% and business-type activity net position increased by \$7,799,078 or 4.0% during fiscal 2016. On an overall basis, the City is better off financially at December 31, 2016 than it was at December 31, 2015 on a government-wide financial basis. The primary reason is that the City received higher than expected property taxes, income taxes and other revenues in 2016 while spending less than anticipated due to plan changes in the TIF and Utility areas.
- Total assets and deferred outflows of resources as of December 31, 2016 of \$836,659,615 increased by \$2,579,001 or 0.3% as compared to total assets and deferred outflows of resources as of December 31, 2015.
- Total liabilities and deferred inflows of resources as of December 31, 2016 of \$471,366,486 decreased by \$27,042,820 or 5.4% as compared to total liabilities and deferred inflows of resources as of December 31, 2015.
- As of December 31, 2016, the government-wide net position of \$365,293,129 has \$306,630,292 invested in capital assets (net of debt) which is not available for spending, \$40,632,969 classified as restricted for debt service; capital outlay; and other; and \$18,029,868 classified as unrestricted.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

- Government-wide revenue received in fiscal 2016 totaled \$228,208,502, an increase of \$9,262,449 or 4.2% versus government-wide revenue received in fiscal 2015. Governmental activity revenue increased by \$8,754,655 or 6.1%, and business-type activity revenue increased by \$507,794 or 0.7%.
- Government-wide expenses in 2016 totaled \$198,586,681, a decrease of \$27,623,189 or 12.2% compared to expenses of \$226,209,870 in 2015. Government activity expenses decreased by \$29,790,841 or 18.1% and business-type activity expenses increased by \$2,167,652 or 3.5% compared to fiscal 2015.
- 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, 2016. 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.

- **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, 2016. 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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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 (COIT), Economic Development Income Tax (EDIT), Rainy Day, and River West TIF) and sixty-eight (68) non major governmental funds.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Proprietary Funds

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains seven (7) enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in fund net position for the Water utility, Wastewater utility and Century Center, which are considered major enterprise funds. Data from the other four (4) nonmajor enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, and 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 six (6) 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, 311 call center, and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, printing and other services provided to City departments on a cost-reimbursement basis). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds

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

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Pension Trust Fund Operations

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

Notes to the Financial Statements

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

Other Information

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

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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Statement of Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other	\$ 214,523,060	\$ 226,795,797	\$ 68,688,703	\$ 74,526,365	\$ 283,211,763	\$ 301,322,162
Capital assets (net)	273,380,335	265,386,820	249,215,298	240,503,593	522,595,633	505,890,413
Total Assets	487,903,395	492,182,617	317,904,001	315,029,958	805,807,396	807,212,575
Deferred Outflows	28,577,165	24,454,180	2,275,054	2,413,859	30,852,219	26,868,039
Liabilities						
Current	8,052,118	30,617,734	17,885,075	15,584,204	25,937,193	46,201,938
Long term	329,439,412	324,909,155	99,440,549	106,707,120	428,879,961	431,616,275
Total Liabilities	337,491,530	355,526,889	117,325,624	122,291,324	454,817,154	477,818,213
Deferred Inflows	16,306,392	20,250,013	242,940	341,080	16,549,332	20,591,093
Net Position						
Net investment in capital assets	161,341,318	157,604,691	145,288,974	141,998,384	306,630,292	299,603,075
Restricted	8,669,117	9,137,552	31,963,852	28,397,290	40,632,969	37,534,842
Unrestricted	(7,327,797)	(25,882,348)	25,357,665	24,415,739	18,029,868	(1,466,609)
Total Net Position	\$ 162,682,638	\$ 140,859,895	\$ 202,610,491	\$ 194,811,413	\$ 365,293,129	\$ 335,671,308

- As of December 31, 2016, total assets and deferred outflows exceeded liabilities and deferred inflows by \$365,293,129, an increase of \$29,621,821, or 8.8%, from the net position level as of December 31, 2015.
- Governmental activities net position of \$162,682,638 increased by \$21,822,743, or 15.4%, from December 31, 2015.
- Business-type net position of \$202,610,491 increased by \$7,799,078, or 4.0%, from December 31, 2015. 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 and a 9.1% increase in the Solid Waste fees used to support operations and capital expenditures.
- Government-wide assets and deferred outflows increased by \$2,579,001, or 0.3%, as compared to amounts as of December 31, 2015 primarily due to increased tax revenue received during 2016.
- Government-wide liabilities and deferred inflows decreased by \$27,042,820, or 5.4%, as compared to amounts as of December 31, 2015. The decrease is due primarily to the pay down of outstanding debt from operations without offsetting new debt and the reduction of the calculated net pension liability.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2016	2015	2016	2015	2016	2015
Revenue						
Program revenue:						
Charge for services	\$ 8,171,317	\$ 6,529,359	\$ 75,470,222	\$ 69,997,286	\$ 83,641,539	\$ 76,526,645
Operating grants	2,644,272	2,813,481	-	-	2,644,272	2,813,481
Capital grants	-	-	649,609	4,683,424	649,609	4,683,424
General revenue:						
Taxes						
Property tax	76,331,581	72,032,049	-	-	76,331,581	72,032,049
Other tax	31,463,184	24,507,308	-	-	31,463,184	24,507,308
Unrestricted grants	25,846,397	25,487,112	-	-	25,846,397	25,487,112
Investment earnings	1,458,787	1,322,674	570,982	358,918	2,029,769	1,681,592
Other revenue	6,745,542	11,214,442	(1,143,391)	-	5,602,151	11,214,442
Total Revenue	152,661,080	143,906,425	75,547,422	75,039,628	228,208,502	218,946,053
Expenses						
General government	15,618,817	21,572,776	-	-	15,618,817	21,572,776
Public safety	55,029,909	56,528,448	-	-	55,029,909	56,528,448
Highways and streets	13,550,535	20,045,444	-	-	13,550,535	20,045,444
Culture and recreation	17,156,094	20,300,768	-	-	17,156,094	20,300,768
Economic development	28,436,368	40,727,612	-	-	28,436,368	40,727,612
Bond issuance costs	-	372,432	-	-	-	372,432
Interest on long-term debt	4,727,630	4,762,714	-	-	4,727,630	4,762,714
Water utility	-	-	14,900,039	13,609,378	14,900,039	13,609,378
Wastewater utility	-	-	26,420,526	25,737,867	26,420,526	25,737,867
Civic center	-	-	5,364,472	4,854,747	5,364,472	4,854,747
Building department	-	-	3,240,172	3,552,347	3,240,172	3,552,347
Parking	-	-	909,857	2,139,182	909,857	2,139,182
Solid waste	-	-	5,794,913	5,243,972	5,794,913	5,243,972
Golf course	-	-	-	165,977	-	165,977
Emergency medical services	-	-	7,437,349	6,596,206	7,437,349	6,596,206
Total Expenses	134,519,353	164,310,194	64,067,328	61,899,676	198,586,681	226,209,870
Change in net position						
Before transfers	18,141,727	(20,403,769)	11,480,094	13,139,952	29,621,821	(7,263,817)
Special items - Disposal of operations	-	-	-	(1,180,964)	-	(1,180,964)
Transfers	3,681,016	2,846,415	(3,681,016)	(2,846,415)	-	-
Change in net position	21,822,743	(17,557,354)	7,799,078	9,112,573	29,621,821	(8,444,781)
Beginning net position	140,859,895	158,417,249	194,811,413	185,698,840	335,671,308	344,116,089
Ending net position	\$ 162,682,638	\$ 140,859,895	\$ 202,610,491	\$ 194,811,413	\$ 365,293,129	\$ 335,671,308

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Governmental Activities

Net position for governmental activities increased by \$21,822,743 during fiscal 2016, an increase of 15.5% from the balance of Net Position at December 31, 2015. Revenue of \$152,661,080 increased by \$8,754,655, or 6.1%. Expenses were \$134,519,353 during 2016, a decrease of \$29,790,841, or 18.1% as compared to fiscal 2015.

The governmental activities revenue increases were due primarily to higher property tax and income tax revenue during 2016 resulting from an increase in assessed property values and an improving local economy. Governmental activities expenses decreased significantly in 2016 due to higher than usual spending in 2015 on large capital projects and business incentives paid to companies for economic development. Many major projects (2-way street conversions and major economic development projects) were funded in 2015.

Business-type Activities

Net position from business-type activities increased by \$7,799,078 during fiscal 2016, an increase of 4.0% from the balance of Net Position at December 31, 2015. During 2016, business-type activities revenue of \$75,547,422 increased by \$507,794, or 0.7%, over fiscal 2015. During 2016, business-type activities expenses of \$64,067,328 increased by \$2,167,652, or 3.5%, when compared to fiscal 2015.

Revenue increased primarily in the Wastewater utility as a result of a 5% rate increase and in Solid Waste due to a 9.1% rate increase. Both rate increases were approved by the South Bend Common Council.

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, 2016

	General	Park & Rec	PS LOIT	COIT	EDIT	Rainy Day	River West TIF	Other	Total
Total assets	\$ 35,178,825	\$ 4,527,367	\$ 940,539	\$ 10,479,820	\$ 11,575,880	\$ 10,185,414	\$ 42,335,432	\$ 90,137,661	\$ 205,360,938
Total liabilities	1,226,203	181,597	114,082	465,853	375,991	-	1,420,433	9,835,559	13,619,718
Fund Balances:									
Nonspendable	494,730	27,113	-	1,526,597	270,001	-	9,583,608	12,158,948	24,060,997
Restricted	-	4,318,657	826,457	-	-	-	31,331,391	65,350,135	101,826,640
Committed	-	-	-	-	-	-	-	2,698,694	2,698,694
Assigned	1,380,036	-	-	8,487,370	10,929,888	10,185,414	-	2,396,118	33,378,826
Unassigned	32,077,856	-	-	-	-	-	-	(2,301,793)	29,776,063
Total fund balance	\$ 33,952,622	\$ 4,345,770	\$ 826,457	\$ 10,013,967	\$ 11,199,889	\$ 10,185,414	\$ 40,914,999	\$ 80,302,102	\$ 191,741,220
Liabilities and fund balance	\$ 35,178,825	\$ 4,527,367	\$ 940,539	\$ 10,479,820	\$ 11,575,880	\$ 10,185,414	\$ 42,335,432	\$ 90,137,661	\$ 205,360,938
Revenues	62,470,763	10,413,258	6,798,193	10,189,226	10,195,560	1,492,715	18,673,223	32,436,480	152,669,418
Expenditures	63,575,739	10,835,631	6,525,003	10,644,722	2,515,324	-	17,358,817	59,520,848	170,976,084
Net surplus (deficit)	(1,104,976)	(422,373)	273,190	(455,496)	7,680,236	1,492,715	1,314,406	(27,084,368)	(18,306,666)
Other sources (uses)	4,435,542	947,661	-	(2,590,147)	(6,709,570)	-	(2,142,555)	15,280,219	9,221,150
Net change in fund balances	3,330,566	525,288	273,190	(3,045,643)	970,666	1,492,715	(828,149)	(11,804,149)	(9,085,516)
Beginning fund balances	30,622,056	3,820,482	553,267	13,059,610	10,229,223	8,692,699	41,743,148	92,106,251	200,826,736
Ending fund balances	\$ 33,952,622	\$ 4,345,770	\$ 826,457	\$ 10,013,967	\$ 11,199,889	\$ 10,185,414	\$ 40,914,999	\$ 80,302,102	\$ 191,741,220

As of December 31, 2016, the City governmental funds reported a combined ending fund balance of \$191,741,220.

The nonspendable fund balance of \$24,060,997 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 \$101,826,640 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 \$2,698,694 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 \$33,378,826 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 \$29,776,063 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, 2016, the General Fund balance of \$33,952,622 represents an increase of \$3,330,566, or 10.9% from the balance as of December 31, 2015. The increase was due primarily to higher property tax revenue during 2016 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, 2016, the General Fund had an unassigned fund balance of \$32,077,856 which is equal to 50.5% of 2016 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 2016 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 2016.

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 35% of annual expenditures and exceeded this target at December 31, 2016.

The **Parks and Recreation Fund** balance increased \$525,288 during fiscal 2016, due primarily to a combination of higher property tax revenue and transfers in and lower expenditures. As of December 31, 2016, the fund balance in the Parks and Recreation Fund was \$4,345,770, or 40.1% of 2016 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, 2016.

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 2016 of \$6,798,193 increased by \$326,626 or 5.0% compared to 2015. The increase in fund balance in the amount of \$273,190 during 2016 was due to lower spending from this fund for police and fire personnel. The ending fund balance was \$826,457, or 12.7% 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 \$3,045,643 during 2016, 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, 2016, the COIT Fund balance was \$10,013,967, or 75.6% of 2016 expenditures and transfers out. This level of fund reserves is significantly higher than the City policy target of 50%.

The EDIT Fund balance increased by \$970,666 during 2016 due to lower than anticipated expenses related to initiatives of Community Investment. 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, 2016, the EDIT fund balance was \$11,199,889, or 121.4% of 2016 expenditures and transfers out. The City policy target is 50%.

The **Rainy Day Fund** is a new major fund for 2016. The fund is used 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 and county economic development income tax. The Rainy Day Fund received a special state distribution \$1,405,850 in local income tax revenue during 2016. The ending fund balance was \$10,185,414, or 5.1% of government-wide expenses during 2016, and meets the City's cash reserve policy goal of 3%.

The fund balance in the **River West TIF Fund** decreased by \$828,149 during 2016. This change was the result of debt payments made during the year for public building debt and other economic development projects.

As of December 31, 2016, the River West TIF Fund balance of \$40,914,999 including \$9,583,608 in nonspendable fund balances (primarily property held for resale) and \$31,331,391 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.

During 2016, the fund balances in **Nonmajor Governmental funds** decreased by \$11,804,149 due primarily to the spending of prior year bond proceeds on capital projects like the "Smart Streets" one-way to two-way street improvement project in the downtown.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

The total balance in Nonmajor Governmental Funds was \$80,302,102 at December 31, 2016. 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, 2016 with comparison to the prior year:

	2016 Actual	% of Total	2015 Actual	% of Total
<u>Tax Based</u>				
General property	\$ 75,724,582	49.6%	\$ 71,525,988	50.1%
County option income	21,868,582	14.3%	15,326,102	10.7%
County economic development	9,594,602	6.3%	9,181,206	6.4%
Professional sports development	673,787	0.5%	626,192	0.5%
Total Tax	107,861,553	70.7%	96,659,488	67.7%
<u>Non-Tax Based</u>				
Licenses and permits	224,677	0.1%	151,923	0.1%
Intergovernmental	27,959,813	18.3%	30,216,059	21.2%
Charge for services	7,062,108	4.6%	5,794,168	4.1%
Fines and forfeitures	756,781	0.5%	454,327	0.3%
Interest income	1,624,527	1.1%	1,253,242	0.9%
Other	7,179,959	4.7%	8,190,619	5.7%
Total Non-Tax Based	44,807,865	29.3%	46,060,338	32.3%
Total Revenue	\$ 152,669,418	100.0%	\$ 142,719,826	100.0%

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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 net 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.

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 Accelerating Indiana Municipalities (AIM – formerly 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 \$107,861,553 during 2016 and increased by \$11,202,065, or 11.6%, from 2015. 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 \$44,807,865 and decreased \$1,252,473, or 2.7%, from 2015.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

Governmental Fund Expenditures

The City accounts for government fund expenditures in eight 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.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2016 with comparison to fiscal year 2015.

	<u>2016</u>	<u>% of</u>	<u>2015</u>	<u>% of</u>
	<u>Actual</u>	<u>Total</u>	<u>Actual</u>	<u>Total</u>
General government	\$ 16,311,633	9.6%	\$ 8,420,278	4.9%
Public safety	64,350,281	37.7%	61,889,405	35.9%
Highways and streets	11,294,768	6.6%	12,787,641	7.4%
Community and economic development	20,894,153	12.2%	11,068,013	6.4%
Culture and recreation	13,070,606	7.6%	12,855,704	7.4%
Bond issuance costs	0	0.0%	372,432	0.2%
Debt service	17,998,348	10.5%	18,711,690	10.8%
Capital outlay	27,056,295	15.8%	46,553,570	27.0%
Total Expenditures	\$ 170,976,084	100.0%	\$ 172,658,733	100.0%

Government fund expenditures in fiscal 2016 of \$170,976,084 decreased by \$1,682,649, or 1.0%, in comparison to government fund expenditures in fiscal 2015.

Capital outlay expenditures decreased by \$19,497,275, or 41.9%, during 2016 due primarily to overall increased spending in tax increment financing funds, the County Option Income Tax Fund, the Major Moves Fund, and other capital projects funds during 2015, which did not occur in 2016.

Public Safety expenditures continue to be the primary use of government fund resources with 37.7% of expenditures used for this purpose in fiscal 2016. Public safety spending is followed by capital outlay expenditures (15.8%), community and economic development (12.2%), debt service (10.5%), general government (9.6%), culture and recreation (7.6%), and highways and streets (6.6%). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, City Attorney, Controller, Engineering and other administrative functions. Governmental expenditures increased during 2016 due to the allocation of expenditures that were formerly classified as capital costs 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, 2016

	Water Utility	Wastewater Utility	Century Center	Other	Total Enterprise	Internal Service
Total assets	\$ 70,843,131	\$ 195,580,693	\$ 21,483,621	\$ 30,106,608	\$ 318,014,053	\$ 16,548,865
Total deferred outflows	113,328	2,161,726	-	-	2,275,054	-
Total liabilities	20,868,465	86,008,309	426,280	10,132,622	117,435,676	3,332,705
Total deferred inflows	-	-	239,584	3,356	242,940	-
Net position:						
Net investment in capital assets	39,644,547	79,882,890	18,846,844	6,914,693	145,288,974	1,348,906
Restricted for:						
Debt service fund	50,069	814,230	-	-	864,299	-
Customer repair and deposit fund	1,541,424	1,752,931	-	-	3,294,355	-
Cash with fiscal agent	147,437	248,464	-	897,564	1,293,465	-
Bond reserve fund	1,392,739	4,111,633	-	-	5,504,372	-
Operating reserve fund	2,457,950	4,627,379	-	-	7,085,329	-
Capital outlay fund	2,582,972	10,137,217	865,986	335,857	13,922,032	-
Unrestricted	2,270,856	10,159,366	1,104,927	11,822,516	25,357,665	11,867,254
Total net position	\$ 50,087,994	\$ 111,734,110	\$ 20,817,757	\$ 19,970,630	\$ 202,610,491	\$ 13,216,160
Operating revenues	\$ 15,091,372	\$ 39,061,562	\$ 3,483,226	\$ 16,219,646	\$ 73,855,806	\$ 28,609,186
Operating expenses	14,184,457	23,752,666	5,364,472	17,148,792	60,450,387	25,978,738
Operating income (loss)	906,915	15,308,896	(1,881,246)	(929,146)	13,405,419	2,630,448
Nonoperating rev (exp)	(684,605)	(2,920,355)	1,027,397	2,629	(2,574,934)	107,672
Income (loss) before contributions and transfers	222,310	12,388,541	(853,849)	(926,517)	10,830,485	2,738,120
Capital contributions	-	-	619,001	30,608	649,609	-
Transfers in	-	-	-	2,110,468	2,110,468	-
Transfers out	(2,039,748)	(3,672,060)	(79,676)	-	(5,791,484)	-
Change in net position	(1,817,438)	8,716,481	(314,524)	1,214,559	7,799,078	2,738,120
Total net position – beginning	51,905,432	103,017,629	21,132,281	18,756,071	194,811,413	10,478,040
Total net position – ending	\$ 50,087,994	\$ 111,734,110	\$ 20,817,757	\$ 19,970,630	\$ 202,610,491	\$ 13,216,160

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

The City maintains seven (7) enterprise funds. Information is presented separately in the Proprietary Statement of Net Position, the Proprietary Statement of Revenues and Expenditures, and Changes in Fund Net Position for the Water Utility, Wastewater Utility and Century Center, which are considered major enterprise funds. Data from the other four (4) non-major enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, 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 six (6) 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, 311 call center 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, 2016, City enterprise funds reported a net position of \$202,610,491, an increase of \$7,799,078, or 4.0%, from the net position at December 31, 2015.

At December 31, 2016, net position includes net investment in capital assets of \$145,288,974, restricted net position of \$31,963,852 and unrestricted net position of \$25,357,665.

During 2016, the **Water utility** experienced a decrease in net position of \$1,817,438 and the **Wastewater utility** experienced an increase in net position of \$8,716,481. The Water utility experienced increase operating revenues of \$887,087 while the Wastewater utility experienced an increase in operating revenue of \$2,426,061. The Wastewater utility had the benefit of a 5% rate increase during 2016 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. On March 27, 2017, the Common Council passed an ordinance which will allow the City to increase water rates in 2018 by 22% and in 2019 by 22% provided the rates are also approved by the Indiana Utility Regulatory Commission.

During 2016, **Century Center** experienced a decrease in net position of \$314,524, primarily as the result of expenses outpacing revenue in 2016.

Nonmajor Enterprise Funds experienced an increase in net position of \$1,214,559 during 2016. The Parking Garage Fund reported an increase in net position of \$93,169 primarily as the result of deferred capital improvements. The Consolidated Building Fund reported an increase in net position of \$684,927 during 2016 as the result of underspending budgeted monies. The Solid Waste Fund reported a decrease in net position of \$53,611 and 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)

Internal Services Funds reported net position of \$13,216,160 at December 31, 2016, an increase of \$2,738,120, or 26.1%, compared to net position at December 31, 2015. The Liability Insurance Fund increased its net position by \$210,902 in 2016 as the result of public safety and parks fund paying into the fund which was not done in 2015 due to budget constraints. The Central Services Fund increased its net position by \$7,744. The Self-Funded Employee Benefits Fund had an increase in its net position of \$2,393,888 due to a 10% 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. The 311 Call Center is a fully allocated fund which supports most city departments. Therefore, this fund has no fund balance as of December 31, 2016.

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	\$ 961,577	\$ 427,872	\$ 2,930,775
Total liabilities	525	-	2,930,775
Total net position	\$ 961,052	\$ 427,872	\$ -
Total additions	10,889,614	399,329	-
Total deductions	11,558,030	-	-
Changes in net position	\$ (668,416)	\$ 399,329	\$ -

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 paid 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)

The increase in the private purpose trust fund is due to the City taking in cash from a trust fund for the Bowman Cemetery which was previously held in the name of an outside association. These funds will be used for necessary cemetery improvements.

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 2016 budget at its meeting held in October 2015.

The General Fund budget applicable for fiscal 2016 is reported as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenue	\$ 53,852,368	\$ 56,484,084	\$ 56,474,525	\$ (9,559)
Expenditures	53,852,368	55,117,963	53,862,310	1,255,653
Surplus (deficit)	\$ -	\$ 1,366,121	\$ 2,612,215	\$ 1,246,094

General Fund revenue/transfers in was originally budgeted at \$53,852,368 for fiscal 2016. During the year, the General Fund revenue/transfers in budget was increased by \$2,631,716 to \$56,484,084. 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 estimate because of higher collections than anticipated.

During 2016, the General Fund collected \$56,474,525 in revenue/transfers in on a budgetary basis, which was \$2,622,157 higher than the original budget. The primary reason for the revenue pickup was a change in property tax collections that were higher than budgeted due to higher assessed property values and collection rates.

General Fund expenditures/transfers out were originally budgeted at \$53,852,368 for fiscal 2016. During the year, the General Fund expenditure/transfers out budget were increased by \$1,265,595 to \$55,117,963. Additional appropriations were passed for Fire Department overtime and other purposes. Carry forward of unspent encumbrances from 2015 also increased the 2016 amended budget.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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 2016, as required to adjust the budget to prevent any budget overruns in any expenditure category.

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

General Fund expenditures/transfers out incurred on a budgetary basis, including cash expended and outstanding encumbrances as of year-end December 31, 2016, amounted to \$53,862,310. The expenditures/transfers out and commitments as of year-end December 31, 2016 are less than the 2016 amended General Fund budget by \$1,255,653 or 2.2%. The largest savings were in the police and administration/finance department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors.

Capital Assets and Debt Administration

Statement of Capital Assets

	Governmental Activities		Business type Activities		Government-wide Activities	
	2016	2015	2016	2015	2016	2015
Assets not depreciated						
Land	\$ 14,707,088	\$ 15,106,806	\$ 2,614,014	\$ 2,614,016	\$ 17,321,102	\$ 17,720,822
Construction in progress	23,595,717	5,339,423	19,259,541	16,644,050	42,855,258	21,983,473
Total	38,302,805	20,446,229	21,873,555	19,258,066	60,176,360	39,704,295
Assets depreciated						
Buildings	125,966,988	128,082,279	84,190,901	85,178,794	210,157,889	213,261,073
Non-building improvements	21,377,908	16,616,553	28,186,217	28,186,217	49,564,125	44,802,770
Machinery and equipment	47,301,986	45,543,924	41,959,457	40,171,610	89,261,443	85,715,534
Roads and Infrastructure	437,067,498	434,344,887	210,940,599	199,721,525	648,008,097	634,066,412
Total Cost	631,714,380	624,587,643	365,277,174	353,258,146	996,991,554	977,845,789
Accumulated depreciation						
Buildings	49,668,561	47,274,258	35,418,271	34,631,698	85,086,832	81,905,956
Non-building improvements	9,936,113	9,242,882	7,441,963	6,193,452	17,378,076	15,436,334
Machinery and equipment	33,115,197	30,808,402	22,720,699	22,524,631	55,835,896	53,333,033
Roads	303,916,980	292,321,510	72,354,498	68,662,837	376,271,478	360,984,347
Total	396,636,851	379,647,052	137,935,431	132,012,618	534,572,282	511,659,670
Net Depreciated Assets	235,077,529	244,940,591	227,341,743	221,245,528	462,419,272	466,186,119
Net Capital Assets	\$ 273,380,334	\$ 265,386,820	\$ 249,215,298	\$ 240,503,594	\$ 522,595,632	\$ 505,890,414

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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 \$648,008,097 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.

Major Capital Asset Project Spending in 2016

Included in capital asset additions for 2016 were the following projects:

- Wastewater - \$7.40 million - Digester #2 Upgrades
- Wastewater - \$5.8 million - Primary Clarifier Rehabilitation
- Infrastructure - \$2.1 million - Bartlett Street/Memorial Hospital Parking Lot
- Infrastructure - \$1.0 million - Ignition Park Improvements
- Infrastructure - \$1.8 million - Western Avenue Streetscape
- Wastewater - \$13.2 million - Secondary Clarifier Improvements (construction in progress)
- Infrastructure - \$13.7 million - Main, Michigan, St. Joseph Streetscape (smart streets – construction in progress)

Capital Assets Analysis

As of December 31, 2016, government-wide capital assets were valued at \$522,595,632, net of accumulated depreciation, an increase of \$16,705,218, or 3.3%, since December 31, 2015. Construction in Progress increased by \$20,871,785, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$3,766,847, net of depreciation, since December 31, 2015. 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, 2016, the cost of Roads & Infrastructure (\$648,008,097) was the major asset class followed by Buildings (\$210,157,889) and Machinery & Equipment (\$89,261,443).

Total depreciation expense was \$31,308,797 for 2016, as compared to \$30,426,526 for 2015. Depreciation expense was \$19,840,701 for governmental activities and \$11,468,096 for business-type activities for 2016.

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, 2016 was \$236,909,378, a decrease of \$14,728,071, or 5.9%, from 2015. City outstanding debt includes revenue bonds, mortgage bonds, notes and loans payable and capital leases.

Type	Beginning	Additions	Retirements	Ending
Revenue bonds	\$ 210,687,811	\$ 3,300,000	\$ (19,470,632)	\$ 194,517,179
Mortgage bonds	19,756,538	-	(2,108,123)	17,648,415
Notes and loans	8,290,651	-	(1,061,065)	7,229,586
Capital leases	12,902,449	8,898,799	(4,287,050)	17,514,198
Total Debt	\$ 251,637,449	\$ 12,198,799	\$ (26,926,870)	\$ 236,909,378

During 2016, the City entered into capital lease agreements in the amount of \$8.90 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 2016 was on average less than 2% for these leases.

During 2016, the City refunded Waterworks bond in the amount of \$3,300,000 to take advantage of lower interest rates. The net present value of the interest savings is \$160,657 over the remaining term of the bonds.

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, 2016 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.

Significant Subsequent Events

On January 18, 2017, the City paid off the 2005 Southside Tax Incremental Financing (TIF) revenue bonds' \$3,800,000 outstanding balance. This early debt payoff was paid from the TIF No. 3 - Southside Development fund, a nonmajor capital project fund. These bonds had a February 1, 2027 original maturity.

On January 23, 2017, the Common Council approved the Eddy Street Commons Phase 2 revenue bonds in an amount not to exceed \$25 million. These bonds are financing infrastructure public improvements.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

On March 27, 2017, the Common Council approved a water rate increase of 22 percent in 2018 and a second increase of 22 percent in 2019 to fund the operating and capital needs of the Water Utility. These rate increases will be effective if approved by the Indiana Utility Regulatory Commission.

Economic Factors and 2017 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 2016, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$30.9 million in taxable property tax levy due to the circuit breaker caps (Indiana Legislative Services Agency, Circuit Breaker Report, December 2016).

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 2016. 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 2.1% for 2017. Unemployment rates in the South Bend-Mishawaka Metropolitan Area continue to improve and were 4.8% in January 2017 as compared to a high of 13.0% in January 2010 (Bureau of Labor Statistics).

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

2017 Budget and Beyond

The City will engage to ensure effective delivery of required services to taxpayers and residents 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 2017 and 2018, 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 and 2018 budgets. This program budgeting is 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 February 28, 2017. No spending is currently planned for this fund.

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 2018 that will remain fiscally responsible to the effective delivery of required services to city residents and stakeholders within the existing revenue constraints. Specific concerns for the 2018 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.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

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, 2016. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

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City of South Bend
June 30, 2017

City of South Bend, Indiana

Statement of Net Position December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 58,142,559	\$ 7,234,289	\$ 65,376,848
Investments	133,745,451	20,397,926	154,143,377
Receivables:			
Taxes	153,965	-	153,965
Accounts	544,503	8,492,882	9,037,385
Interest	318,143	96,829	414,972
Intergovernmental	960,421	-	960,421
Loans	5,336,870	-	5,336,870
Allowance for doubtful accounts	-	(130,000)	(130,000)
Internal balances	80,588	(80,588)	-
Inventory	906,849	672,513	1,579,362
Prepaid expenses	614,061	41,001	655,062
Restricted assets	1,100	31,963,851	31,964,951
Property held for resale	13,718,551	-	13,718,551
Capital assets:			
Assets not subject to depreciation	38,302,805	21,873,555	60,176,360
Assets subject to depreciation	235,077,529	227,341,743	462,419,272
Total assets	487,903,395	317,904,001	805,807,396
Deferred Outflows of Resources			
Unamortized loss on refunding	2,291,565	2,275,054	4,566,619
Deferred outflows related to pensions	26,285,600	-	26,285,600
Total deferred outflows of resources	28,577,165	2,275,054	30,852,219
Liabilities			
Accounts payable	6,609,556	3,733,489	10,343,045
Due to other governmental units	-	101,142	101,142
Performance deposits payable	86,452	5,000	91,452
Accrued liabilities and other:			
Accrued payroll payable	1,304,006	473,573	1,777,579
Accrued interest payable	46,131	294,143	340,274
Taxes payable	2,314	-	2,314
Customer deposits payable	-	1,698,134	1,698,134
Other current payables	3,659	68,664	72,323
Noncurrent liabilities:			
Due within one year:			
Accrued interest payable from restricted assets	1,657,778	-	1,657,778
Compensated absences	4,756,341	750,238	5,506,579
Notes and loans payable	210,266	183,384	393,650
Mortgage bonds payable	1,744,275	295,725	2,040,000
Claims payable	2,317,615	-	2,317,615
Capital leases	2,858,050	2,071,583	4,929,633
Revenue bonds payable	11,962,653	8,210,000	20,172,653

City of South Bend, Indiana

Statement of Net Position (Continued) December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities (Continued)			
Noncurrent liabilities (Continued):			
Due in more than one year:			
Notes and loans payable	\$ 4,437,115	\$ 2,398,821	\$ 6,835,936
Mortgage bonds payable	10,347,275	5,261,141	15,608,416
Capital leases	8,071,025	4,513,540	12,584,565
Net OPEB obligation	13,285,244	-	13,285,244
Net pension liability	180,714,296	-	180,714,296
Revenue bonds payable	87,077,479	87,267,047	174,344,526
Total liabilities	<u>337,491,530</u>	<u>117,325,624</u>	<u>454,817,154</u>
Deferred Inflows of Resources			
Unamortized service agreement	-	239,584	239,584
Unamortized gain on sale/leaseback	-	3,356	3,356
Deferred inflows related to pensions	<u>16,306,392</u>	<u>-</u>	<u>16,306,392</u>
Total deferred inflows of resources	<u>16,306,392</u>	<u>242,940</u>	<u>16,549,332</u>
Net Position			
Net investment in capital assets	161,341,318	145,288,974	306,630,292
Restricted for:			
Debt service fund	5,382,083	864,299	6,246,382
Customer repair and deposit fund	-	3,294,355	3,294,355
Cash with fiscal agent	-	1,293,465	1,293,465
Bond reserve fund	3,287,034	5,504,372	8,791,406
Operating reserve fund	-	7,085,329	7,085,329
Capital outlay fund	-	13,922,032	13,922,032
Unrestricted	<u>(7,327,797)</u>	<u>25,357,665</u>	<u>18,029,868</u>
Total net position	<u>\$ 162,682,638</u>	<u>\$ 202,610,491</u>	<u>\$ 365,293,129</u>

City of South Bend, Indiana

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,618,817	\$ 1,622,788	\$ 732,782	\$ -
Public safety	55,029,909	975,712	325	-
Highways and streets	13,550,535	707,547	179,720	-
Community and economic development	28,436,368	481,293	1,057,658	-
Culture and recreation	17,156,094	4,383,977	673,787	-
Interest on long-term debt	4,727,630	-	-	-
Total governmental activities	134,519,353	8,171,317	2,644,272	-
Business-type activities:				
Water Utility	14,900,039	15,091,372	-	-
Wastewater Utility	26,420,526	39,061,562	-	-
Century Center	5,364,472	4,796,676	-	619,001
Consolidated Building	3,240,172	1,764,100	-	30,608
Parking Garage	909,857	996,197	-	-
Solid Waste	5,794,913	5,839,143	-	-
Emergency Medical Services	7,437,349	7,921,172	-	-
Total business-type activities	64,067,328	75,470,222	-	649,609
Total primary government	\$ 198,586,681	\$ 83,641,539	\$ 2,644,272	\$ 649,609
General revenues:				
Property taxes				
Income taxes				
Grants and contributions not restricted to specific programs				
Investment income				
Other miscellaneous income				
Gain (loss) on sale of fixed assets				
Total general revenues				
Transfers				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities Year Ended December 31, 2016

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (13,263,247)	\$ -	\$ (13,263,247)
(54,053,872)	-	(54,053,872)
(12,663,268)	-	(12,663,268)
(26,897,417)	-	(26,897,417)
(12,098,330)	-	(12,098,330)
(4,727,630)	-	(4,727,630)
(123,703,764)	-	(123,703,764)
-	191,333	191,333
-	12,641,036	12,641,036
-	51,205	51,205
-	(1,445,464)	(1,445,464)
-	86,340	86,340
-	44,230	44,230
-	483,823	483,823
-	12,052,503	12,052,503
(123,703,764)	12,052,503	(111,651,261)
76,331,581	-	76,331,581
31,463,184	-	31,463,184
25,846,397	-	25,846,397
1,458,787	570,982	2,029,769
6,745,542	-	6,745,542
-	(1,143,391)	(1,143,391)
141,845,491	(572,409)	141,273,082
3,681,016	(3,681,016)	-
21,822,743	7,799,078	29,621,821
140,859,895	194,811,413	335,671,308
\$ 162,682,638	\$ 202,610,491	\$ 365,293,129

City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
Assets					
Cash and cash equivalents	\$ 3,710,448	\$ 1,001,514	\$ 209,382	\$ 1,992,931	\$ 2,483,512
Investments	30,638,155	3,488,926	729,415	6,942,676	8,651,688
Receivables:					
Taxes	-	-	-	-	-
Accounts	152,799	1,670	-	920	150,000
Interest	71,819	8,144	1,742	16,696	20,679
Intergovernmental	63,498	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	47,376	-	-	-	-
Advances to other funds	494,730	-	-	1,351,598	-
Inventory	-	27,113	-	-	-
Property held for resale	-	-	-	174,999	270,001
Total assets	\$ 35,178,825	\$ 4,527,367	\$ 940,539	\$ 10,479,820	\$ 11,575,880
Liabilities					
Accounts payable	\$ 272,439	\$ 49,534	\$ -	\$ 442,554	\$ 375,991
Due to other funds	19,935	6,066	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	73,106	2,618	-	-	-
Accrued liabilities and other:					
Accrued payroll payable	858,870	122,918	114,082	23,299	-
Taxes payable	1,853	461	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	1,226,203	181,597	114,082	465,853	375,991
Fund Balances					
Nonspendable	494,730	27,113	-	1,526,597	270,001
Restricted	-	4,318,657	826,457	-	-
Committed	-	-	-	-	-
Assigned	1,380,036	-	-	8,487,370	10,929,888
Unassigned	32,077,856	-	-	-	-
Total fund balances	33,952,622	4,345,770	826,457	10,013,967	11,199,889
Total liabilities and fund balances	\$ 35,178,825	\$ 4,527,367	\$ 940,539	\$ 10,479,820	\$ 11,575,880

**Governmental Funds
Balance Sheet
December 31, 2016**

Rainy Day	River West TIF	Nonmajor Funds	Total
\$ 2,267,458	\$ 7,238,085	\$ 36,120,468	\$ 55,023,798
7,899,033	25,214,956	39,412,161	122,977,010
-	8,475	145,490	153,965
-	-	173,625	479,014
18,923	60,086	94,238	292,327
-	28,848	868,075	960,421
-	201,374	5,135,496	5,336,870
-	-	30,048	77,424
-	-	4,468,117	6,314,445
-	-	-	27,113
-	9,583,608	3,689,943	13,718,551
\$ 10,185,414	\$ 42,335,432	\$ 90,137,661	\$ 205,360,938
\$ -	\$ 998,726	\$ 3,763,296	\$ 5,902,540
-	18,475	58,007	102,483
-	400,000	5,883,254	6,283,254
-	3,232	7,496	86,452
-	-	119,847	1,239,016
-	-	-	2,314
-	-	3,659	3,659
-	1,420,433	9,835,559	13,619,718
-	9,583,608	12,158,948	24,060,997
-	31,331,391	65,350,135	101,826,640
-	-	2,698,694	2,698,694
10,185,414	-	2,396,118	33,378,826
-	-	(2,301,793)	29,776,063
10,185,414	40,914,999	80,302,102	191,741,220
\$ 10,185,414	\$ 42,335,432	\$ 90,137,661	\$ 205,360,938

City of South Bend, Indiana

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2016

Fund Balance Reported in Governmental Funds	\$ 191,741,220
Capital assets used in governmental activities are not financial resources and are not reported in the funds	271,972,273
Prepaid expenses are not available to pay for current period expenditures, and therefore are deferred in the funds	411,345
Deferred outflows of resources related to pensions are not available to pay for current period expenditures, and therefore are reported in the funds	26,285,600
Deferred inflows on refunding are not due and payable in the current period and are not reported in the funds	2,291,565
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	(126,648,983)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,703,826)
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	(4,576,784)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(16,306,392)
Net OPEB obligations do not present a claim on current financial resources and are not reported as fund liabilities	(13,285,244)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(180,714,296)
Amounts reported for governmental activities in the statement of net position are different because - Internal service funds are included as part of governmental activities	13,216,160
Net Position of Governmental Activities	<u>\$ 162,682,638</u>

City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
Revenue					
Property taxes	\$ 39,362,139	\$ 7,902,995	\$ -	\$ -	\$ -
Income taxes	-	-	6,791,160	9,454,023	9,594,602
Licenses and permits	224,677	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	15,437,682	667,306	-	-	-
Charges for services	1,973,484	1,679,829	-	560,276	150,000
Fines and forfeitures	10,716	-	-	-	354,660
Investment income	228,292	23,834	7,033	97,746	93,264
Rental income	-	3,474	-	-	-
Other revenue	5,233,773	135,820	-	77,181	3,034
Total revenue	62,470,763	10,413,258	6,798,193	10,189,226	10,195,560
Expenditures					
Current:					
General government	4,932,618	-	-	9,284,181	1,631,294
Public safety	56,211,109	-	6,525,003	-	-
Highways and streets	989,907	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	1,415,100	10,640,291	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	23,687	189,555	-	1,214,597	835,000
Interest on long-term debt	3,318	5,785	-	145,944	49,030
Total expenditures	63,575,739	10,835,631	6,525,003	10,644,722	2,515,324
Excess of Revenue (Under) Over Expenditures	(1,104,976)	(422,373)	273,190	(455,496)	7,680,236
Other Financing Sources (Uses)					
Issuance of debt	10,924	21,393	-	15,855	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	4,627,122	926,268	-	3,039	-
Transfers out	(202,504)	-	-	(2,609,041)	(6,709,570)
Total other financing sources (uses)	4,435,542	947,661	-	(2,590,147)	(6,709,570)
Net Change in Fund Balances	3,330,566	525,288	273,190	(3,045,643)	970,666
Fund Balances - Beginning of year	30,622,056	3,820,482	553,267	13,059,610	10,229,223
Fund Balances - End of year	\$ 33,952,622	\$ 4,345,770	\$ 826,457	\$ 10,013,967	\$ 11,199,889

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2016

Rainy Day	River West TIF	Nonmajor Funds	Total
\$ -	\$ 17,513,853	\$ 10,945,595	\$ 75,724,582
1,405,850	-	4,217,549	31,463,184
-	-	-	224,677
-	-	673,787	673,787
-	396,000	11,458,825	27,959,813
-	-	2,698,519	7,062,108
-	-	391,405	756,781
86,865	279,969	807,524	1,624,527
-	88,616	137,699	229,789
-	394,785	1,105,577	6,950,170
<u>1,492,715</u>	<u>18,673,223</u>	<u>32,436,480</u>	<u>152,669,418</u>
-	-	463,540	16,311,633
-	-	1,614,169	64,350,281
-	-	10,304,861	11,294,768
-	13,765,421	7,128,732	20,894,153
-	-	1,015,215	13,070,606
-	-	27,056,295	27,056,295
-	2,485,000	8,307,488	13,055,327
-	1,108,396	3,630,548	4,943,021
<u>-</u>	<u>17,358,817</u>	<u>59,520,848</u>	<u>170,976,084</u>
1,492,715	1,314,406	(27,084,368)	(18,306,666)
-	-	4,950,881	4,999,053
-	458,746	82,335	541,081
-	22,199	13,962,422	19,541,050
-	(2,623,500)	(3,715,419)	(15,860,034)
<u>-</u>	<u>(2,142,555)</u>	<u>15,280,219</u>	<u>9,221,150</u>
1,492,715	(828,149)	(11,804,149)	(9,085,516)
<u>8,692,699</u>	<u>41,743,148</u>	<u>92,106,251</u>	<u>200,826,736</u>
<u>\$ 10,185,414</u>	<u>\$ 40,914,999</u>	<u>\$ 80,302,102</u>	<u>\$ 191,741,220</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, 2016

Net Change in Fund Balances - Total governmental funds	\$	(9,085,516)
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		29,689,464
Depreciation expense		(19,691,675)
Net book value of assets disposed of and transferred		(2,092,111)
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		208,465
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		(4,999,053)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)		13,055,327
Other adjustments related to debt premiums, discounts, deferred inflows, and deferred outflows		84,284
Changes in accrued interest payable and other		134,556
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		(95,240)
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		(1,624,309)
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		13,500,431
Internal service funds are included as part of governmental activities - Net change in position		2,738,120
Change in Net Position of Governmental Activities	\$	<u>21,822,743</u>

City of South Bend, Indiana

Proprietary Funds Statement of Net Position December 31, 2016

	Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Activities Proprietary Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 848,168	\$ 2,964,074	\$ 1,380,151	\$ 2,041,896	\$ 7,234,289	\$ 3,118,761
Investments	2,953,621	10,325,798	-	7,118,507	20,397,926	10,768,441
Receivables:						
Accounts	698,698	2,888,911	355,233	4,550,040	8,492,882	65,489
Interest	22,128	57,009	-	17,692	96,829	25,816
Allowance for doubtful accounts	(50,000)	(80,000)	-	-	(130,000)	-
Due from other funds	25,223	3,041	-	1,200	29,464	78,744
Inventory	469,161	171,415	31,937	-	672,513	879,736
Prepaid expenses	9,167	28,364	3,470	-	41,001	202,716
Total current assets	4,976,166	16,358,612	1,770,791	13,729,335	36,834,904	15,139,703
Noncurrent assets:						
Restricted assets	8,172,590	21,691,854	865,986	1,233,421	31,963,851	1,100
Capital assets:						
Assets not subject to depreciation	376,951	19,623,750	713,434	1,159,420	21,873,555	-
Assets subject to depreciation	57,317,424	137,906,477	18,133,410	13,984,432	227,341,743	1,408,062
Total noncurrent assets	65,866,965	179,222,081	19,712,830	16,377,273	281,179,149	1,409,162
Total assets	70,843,131	195,580,693	21,483,621	30,106,608	318,014,053	16,548,865
Deferred Outflows of Resources -						
Unamortized loss on refunding	113,328	2,161,726	-	-	2,275,054	-
Liabilities						
Current liabilities:						
Accounts payable	562,715	2,432,600	264,090	474,084	3,733,489	707,016
Due to other governmental units	-	-	-	101,142	101,142	-
Due to other funds	72,095	4,330	-	2,436	78,861	4,288
Performance deposits payable	-	-	-	5,000	5,000	-
Accrued liabilities and other:						
Accrued payroll payable	98,886	198,967	-	175,720	473,573	64,990
Accrued interest payable	6,630	193,294	-	94,219	294,143	83
Customer deposits payable	1,561,223	-	136,911	-	1,698,134	-
Other current payables	43,385	-	25,279	-	68,664	-
Compensated absences	245,114	266,190	-	238,934	750,238	179,557
Notes and loans payable	20,912	162,472	-	-	183,384	-
Mortgage bonds payable	-	70,725	-	225,000	295,725	-
Claims payable	-	-	-	-	-	2,317,615
Capital leases	210,934	595,824	-	1,264,825	2,071,583	13,577
Revenue bonds payable	1,375,000	6,835,000	-	-	8,210,000	-
Total current liabilities	4,196,894	10,759,402	426,280	2,581,360	17,963,936	3,287,126
Noncurrent liabilities:						
Advances from other funds	-	-	-	31,191	31,191	-
Notes and loans payable	311,650	2,087,171	-	-	2,398,821	-
Mortgage bonds payable	-	270,739	-	4,990,402	5,261,141	-
Capital leases	728,876	1,254,995	-	2,529,669	4,513,540	45,579
Revenue bonds payable	15,631,045	71,636,002	-	-	87,267,047	-
Total noncurrent liabilities	16,671,571	75,248,907	-	7,551,262	99,471,740	45,579
Total liabilities	20,868,465	86,008,309	426,280	10,132,622	117,435,676	3,332,705
Deferred Inflows of Resources						
Unamortized service agreement	-	-	239,584	-	239,584	-
Unamortized gain on sale/leaseback	-	-	-	3,356	3,356	-
Total deferred inflows of resources	-	-	239,584	3,356	242,940	-

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

City of South Bend, Indiana

Proprietary Funds Statement of Net Position (Continued) December 31, 2016

	Enterprise Funds					Governmental Activities
					Proprietary Internal Service	
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Fund
Net Position						
Net investment in capital assets:	\$ 39,644,547	\$ 79,882,890	\$ 18,846,844	\$ 6,914,693	\$ 145,288,974	\$ 1,348,906
Debt service fund	50,069	814,230	-	-	864,299	-
Customer repair and deposit fund	1,541,424	1,752,931	-	-	3,294,355	-
Cash with fiscal agent	147,437	248,464	-	897,564	1,293,465	-
Bond reserve fund	1,392,739	4,111,633	-	-	5,504,372	-
Operating reserve fund	2,457,950	4,627,379	-	-	7,085,329	-
Capital outlay fund	2,582,972	10,137,217	865,986	335,857	13,922,032	-
Unrestricted	2,270,856	10,159,366	1,104,927	11,822,516	25,357,665	11,867,254
Total net position	\$ 50,087,994	\$ 111,734,110	\$ 20,817,757	\$ 19,970,630	\$ 202,610,491	\$ 13,216,160

City of South Bend, Indiana

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2016

	Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary
						Internal Service Fund
Operating Revenue						
Metered revenue	\$ 10,149,170	\$ 38,219,093	\$ -	\$ -	\$ 48,368,263	\$ -
Convention fees	-	-	3,362,396	-	3,362,396	-
Fire protection revenue	2,000,428	-	-	-	2,000,428	-
Licenses and permits	-	-	-	1,752,497	1,752,497	-
Interest and penalty charges	76,957	667,656	-	-	744,613	-
Parking fees	-	-	110,792	993,845	1,104,637	-
Solid waste fees	-	-	-	5,511,281	5,511,281	-
Employee/Employer contributions	-	-	-	-	-	21,121,497
Charges for sales and services	-	-	-	7,822,894	7,822,894	7,371,837
Water leak insurance revenue	974,068	-	-	-	974,068	-
Charges to other funds	1,414,956	-	-	-	1,414,956	-
Other	475,793	174,813	10,038	139,129	799,773	115,852
Total operating revenue	15,091,372	39,061,562	3,483,226	16,219,646	73,855,806	28,609,186
Operating Expenses						
Cost of water	6,531,883	-	-	-	6,531,883	-
Cost of sewage treatment	-	14,414,508	-	-	14,414,508	-
Other operation and maintenance	-	-	-	14,535,669	14,535,669	9,071,629
General and administration	2,359,837	2,505,862	4,302,253	1,142,300	10,310,252	1,172,912
Insurance claims and premiums	-	-	-	-	-	15,585,171
Plumbing contractors	1,045,518	-	-	-	1,045,518	-
Customer service	2,144,461	-	-	-	2,144,461	-
Depreciation	2,102,758	6,832,296	1,062,219	1,470,823	11,468,096	149,026
Total operating expenses	14,184,457	23,752,666	5,364,472	17,148,792	60,450,387	25,978,738
Operating Income (Loss)	906,915	15,308,896	(1,881,246)	(929,146)	13,405,419	2,630,448
Nonoperating Revenue (Expenses)						
Investment income	115,235	374,035	932	80,780	570,982	112,274
Hotel/Motel tax revenue	-	-	1,313,450	-	1,313,450	-
Interest expense	(715,582)	(2,667,860)	-	(233,499)	(3,616,941)	-
(Loss) gain on sale of assets	(84,258)	(626,530)	(286,985)	(145,618)	(1,143,391)	(4,330)
Debt service charge	-	-	-	-	-	(272)
Other nonoperating general revenue	-	-	-	300,966	300,966	-
Total nonoperating (expenses) revenue	(684,605)	(2,920,355)	1,027,397	2,629	(2,574,934)	107,672
Income (Loss) - Before contributions	222,310	12,388,541	(853,849)	(926,517)	10,830,485	2,738,120
Capital Contributions - Other capital contributions	-	-	619,001	30,608	649,609	-
Transfers In	-	-	-	2,110,468	2,110,468	-
Transfers Out	(2,039,748)	(3,672,060)	(79,676)	-	(5,791,484)	-
Change in Net Position	(1,817,438)	8,716,481	(314,524)	1,214,559	7,799,078	2,738,120
Net Position - Beginning of year	51,905,432	103,017,629	21,132,281	18,756,071	194,811,413	10,478,040
Net Position - End of year	\$ 50,087,994	\$ 111,734,110	\$ 20,817,757	\$ 19,970,630	\$ 202,610,491	\$ 13,216,160

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, 2016

	Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary
						Internal Service Fund
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 13,284,386	\$ 38,658,757	\$ 3,187,792	\$ 16,391,948	\$ 71,522,883	\$ 5,253,324
Receipts from interfund services and reimbursements	1,996,165	23,990	10,059	1,170	2,031,384	23,260,163
Payments to suppliers	(6,086,376)	(6,321,402)	(4,172,257)	(5,325,142)	(21,905,177)	(22,332,513)
Payments to employees	(5,221,969)	(7,008,726)	-	(8,889,487)	(21,120,182)	(3,274,707)
Internal activity - Payments to other funds	(572,755)	(2,846,998)	-	(935,789)	(4,355,542)	(179,059)
Net cash provided by (used in) operating activities	3,399,451	22,505,621	(974,406)	1,242,700	26,173,366	2,727,208
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	-	-	-	2,110,468	2,110,468	-
Loans received from other funds	-	-	-	31,191	31,191	-
Hotel/Motel tax	-	-	1,313,450	-	1,313,450	-
Transfers to other funds	(2,039,748)	(3,672,060)	(79,676)	-	(5,791,484)	-
Other nonoperating revenue	-	-	-	300,966	300,966	-
Net cash (used in) provided by noncapital financing activities	(2,039,748)	(3,672,060)	1,233,774	2,442,625	(2,035,409)	-
Cash Flows from Capital and Related Financing Activities						
Proceeds from capital debt refunding	3,300,000	-	-	-	3,300,000	-
Proceeds from capital debt issued for future capital purchase	976,915	878,127	-	1,700,882	3,555,924	-
Proceeds from sales of capital assets	9,521	-	-	22,816	32,337	-
Purchase of capital assets	(360,274)	(17,575,639)	(113,127)	(2,656,877)	(20,705,917)	(241,192)
Principal paid on capital debt	(4,866,156)	(7,465,416)	-	(1,255,730)	(13,587,302)	(10,487)
Interest paid on capital debt	(703,383)	(2,488,229)	-	(234,627)	(3,426,239)	(313)
Net cash (used in) provided by capital and related financing activities	(1,643,377)	(26,651,157)	(113,127)	(2,423,536)	(30,831,197)	(251,992)
Cash Flows from Investing Activities						
Interest received on investments	112,485	377,841	932	75,257	566,515	104,446
Proceeds from sale and maturities of investment securities	319,801	6,517,695	-	(1,037,258)	5,800,238	(1,775,543)
Net cash provided by (used in) investing activities	432,286	6,895,536	932	(962,001)	6,366,753	(1,671,097)
Net (Decrease) Increase in Cash and Cash Equivalents	148,612	(922,060)	147,173	299,788	(326,487)	804,119
Cash and Cash Equivalents - Beginning of year	2,489,427	12,111,777	2,098,964	2,975,529	19,675,697	2,315,742
Cash and Cash Equivalents - End of year	<u>\$ 2,638,039</u>	<u>\$ 11,189,717</u>	<u>\$ 2,246,137</u>	<u>\$ 3,275,317</u>	<u>\$ 19,349,210</u>	<u>\$ 3,119,861</u>

City of South Bend, Indiana

Proprietary Funds Statement of Cash Flows (Continued) Year Ended December 31, 2016

	Enterprise Funds					Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
Statement of Net Position Classification of Cash and Cash Equivalents						
Cash and investments	\$ 3,801,789	\$ 13,289,872	\$ 1,380,151	\$ 9,160,403	\$ 27,632,215	\$ 13,887,202
Restricted cash and investments	8,172,590	21,691,854	865,986	1,233,421	31,963,851	1,100
Less amounts classified as investments	(9,336,340)	(23,792,009)	-	(7,118,507)	(40,246,856)	(10,768,441)
Total cash and cash equivalents	\$ 2,638,039	\$ 11,189,717	\$ 2,246,137	\$ 3,275,317	\$ 19,349,210	\$ 3,119,861
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 906,915	\$ 15,308,896	\$ (1,881,246)	\$ (929,146)	\$ 13,405,419	\$ 2,630,448
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	2,102,758	6,832,296	1,062,219	1,470,823	11,468,096	149,026
Lease proceeds used for noncapital expenses	-	-	-	299,885	299,885	43,938
Changes in assets and liabilities:						
Receivables	146,302	(379,560)	(215,221)	173,501	(274,978)	(21,127)
Due from other funds	(4,264)	745	10,059	(30)	6,510	(74,572)
Inventory	(190,715)	45,309	5,489	-	(139,917)	(28,250)
Prepaid expenses and other assets	14,920	6,116	6,997	-	28,033	6,937
Accounts payable	253,219	545,563	150,092	165,426	1,114,300	189,769
Due to other governments	-	-	-	(58,956)	(58,956)	-
Performance deposit	-	-	-	(32,437)	(32,437)	-
Due to other funds	68,309	2,253	-	(8,307)	62,255	(585)
Accrued liabilities and other	(16,927)	-	(128,415)	-	(145,342)	-
Accrued payroll payable	36,576	113,749	-	72,279	222,604	31,732
Compensated absences payable	35,220	30,254	-	89,662	155,136	56,321
Customer deposits	47,138	-	15,620	-	62,758	-
Estimate of unfiled claims	-	-	-	-	-	(256,429)
Net cash provided by (used in) operating activities	\$ 3,399,451	\$ 22,505,621	\$ (974,406)	\$ 1,242,700	\$ 26,173,366	\$ 2,727,208
Noncash Investing, Capital, and Financing Activities						
Capital assets disposed (at cost)	\$ 554,395	\$ 2,547,395	\$ 1,835,418	\$ 1,819,908	\$ 6,757,116	\$ 45,303
Capital asset contribution	-	-	619,001	30,608	649,609	-
Work in progress completed transferred to capital assets	-	13,241,010	-	-	13,241,010	-
Accumulated depreciation on disposals of capital assets	(460,616)	(1,927,374)	(1,548,433)	(1,651,474)	(5,587,897)	(40,973)

City of South Bend, Indiana

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2016

	Pension Trust Funds	Private- Purpose Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 213,763	\$ 6,413	\$ 2,930,775
Investments	744,677	22,340	-
Receivables - Interest	1,870	54	-
Receivables - Accounts	1,267	399,065	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 961,577</u></u>	<u><u>\$ 427,872</u></u>	<u><u>\$ 2,930,775</u></u>
Liabilities			
Accounts payable	\$ 170	\$ -	\$ -
Accrued liabilities and other	355	-	420,885
Customer deposits payable	-	-	1,692,774
Police distribution payable	-	-	817,116
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>525</u>	<u>-</u>	<u><u>\$ 2,930,775</u></u>
Net Position	<u><u>\$ 961,052</u></u>	<u><u>\$ 427,872</u></u>	

City of South Bend, Indiana

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended December 31, 2016

	Pension Trust Funds	Private-Purpose Trust Fund
Additions		
Investment income - Interest and dividends	\$ 9,565	\$ 262
Contributions:		
On behalf	10,858,021	-
Other	22,028	399,067
Total contributions	10,880,049	399,067
Total additions	10,889,614	399,329
Deductions		
Benefit payments	11,529,995	-
Administrative expenses	28,035	-
Total deductions	11,558,030	-
Net (Decrease) Increase in Net Position	(668,416)	399,329
Net Position - Beginning of year	1,629,468	28,543
Net Position - End of year	\$ 961,052	\$ 427,872

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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, St. Joseph County Housing Consortium, 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 Rainy Day fund is 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).
- 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.

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, police officers' take home vehicle, 311 call center, 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, held for an entertainment center's event deposits, and collected by the South Bend Police Department from asset seizures.

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 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 value.

Money market investments are reported fair value.

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

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

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

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

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note I - Summary of Significant Accounting Policies (Continued)

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

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.

Note I - Summary of Significant Accounting Policies (Continued)

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 governmental activities 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.

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.

Note I - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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: 35 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, 2016 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.

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.

Note I - Summary of Significant Accounting Policies (Continued)

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. Police officers, teamsters, 40-hour-per-week firefighters, and all other employees earn eight sick days per year, regardless of tenure of service. Firefighters working 24-hour workdays with tenure greater than five years earn five days of sick leave per year, and firefighters 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 police officers, 100 days for 40-hour-per-week firefighters, 38 days for 24-per-day firefighter, 75 days for teamsters, and 65 days for all other employees. Accumulated sick leave is paid to firefighters and police officers 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 firefighters and at a rate of one-half the first class patrolman rank rate of pay for police officers. Accumulated sick leave is paid to teamster employees, upon retirement, at a rate of \$40 for each accumulated sick leave day transacted. Sick leave buy-back during employment is paid to firefighters and police officers annually upon request. Upon request, firefighters 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, police officers 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 police officers, firefighters, 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. Firefighters 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 I - Summary of Significant Accounting Policies (Continued)

- c. Personal Leave - City police officers 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. Police officers personal leave does not accumulate from year to year. Police officers 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. Personal leave of absence may be available for certain personal, family, and medical reasons when other forms of leave have been exhausted or otherwise not available. Leaves of absences are unpaid although employees may use accrued vacation, sick, and comp time. A leave of absence may not exceed 30 calendar days, however an employee facing exceptional circumstances may seek an additional 30 calendar day leave of absence subject to approval by the department and HR department. Employees who are enrolled in the City's insurance plans will be covered during the initial leave of absence, but benefit time, such as vacation and sick time, will not accrue during this period. While every effort will be made to retain employment opportunities for an individual during this time, there is no guarantee of employment at the completion of personal leave of absence.
- d. Compensatory Leave - City firefighters 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 firefighters, police officers, and teamsters, is accrued when incurred and reported as a liability in the statement of net position. Amounts due and payable at year end are included in the proprietary fund statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 2 - Stewardship, Compliance, and Accountability

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

Major governmental funds:

- General Fund
- Special Revenue Funds - Park and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax (COIT), Economic Development Income Tax (EDIT), Rainy Day
- 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, Unsafe Building, Law Enforcement Continuing Education, Landlord Registration, Loss Recovery, Emergency Telephone System, Local Road and Street, Excess Welfare Distribution, LOIT 2016 Special 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, 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

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

- 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 Leighton Plaza, TIF - West Washington, Redevelopment General, Community Revitalization Enhancement District, TIF No. 1 - Southside Development, TIF No. 3 - Southside Development, 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

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, the Rainy Day Fund, or any other major or nonmajor governmental fund which required legally approved budgets. Other financing uses for transfers out in the General fund exceeded the approved budget \$400 due to transferring code enforcement department petty cash to the Consolidated Building fund.

Fund Deficits - At December 31, 2016, the following funds reported deficits in fund equity, which are violations of State statute: Urban Development Action Grant (\$215,151), TIF - Douglas Road (\$166,263), and TIF - River East Residential (\$1,317,569).

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, 2016

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, 2016 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	\$ 1,911,935
US Bank NA	16,831,622
Bank of New York Mellon	4,143,808
Ist Source Bank	3,850,799

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, \$80,175,943 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	\$ 76,167,420	\$ 8,580,211	\$ 53,967,984	\$ 13,619,225
U.S. Treasuries	4,008,523	4,008,523	-	-
Total	\$ 80,175,943	\$ 12,588,734	\$ 53,967,984	\$ 13,619,225

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.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The City has the following recurring fair value measurements as of December 31, 2016:

U.S. Government Agency and Treasury securities of \$80,175,943 are valued using significant other observable inputs (Level 2 inputs).

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 4 - Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2016 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	\$ 201,374	\$ -
Nonmajor governmental funds:		
Economic development state grants	302,069	238,409
Community investment grants	230,341	179,666
Urban development action grant	543,909	416,655
Industrial revolving	<u>4,059,177</u>	<u>3,166,158</u>
Total nonmajor governmental funds	<u>\$ 5,135,496</u>	<u>\$ 4,000,888</u>

Note 5 - Net Investment in Capital Assets

The net investment in capital assets is calculated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Capital assets not subject to depreciation	\$ 38,302,805	\$ 21,873,555	\$ 60,176,360
Capital assets subject to depreciation - Net	235,077,529	227,341,743	462,419,272
Deferred outflows (capital related)	2,291,565	2,275,054	4,566,619
Revenue bonds payable - Current	(11,962,653)	(8,210,000)	(20,172,653)
Mortgage bonds payable - Current	(1,744,275)	(295,725)	(2,040,000)
Notes and loans payable - Current	(210,266)	(183,384)	(393,650)
Capital leases payable - Current	(2,858,050)	(2,071,583)	(4,929,633)
Revenue bonds payable - Noncurrent	(87,077,479)	(87,267,047)	(174,344,526)
Mortgage bonds payable - Noncurrent	(10,347,275)	(5,261,141)	(15,608,416)
Notes and loans payable - Noncurrent	(4,437,115)	(2,398,821)	(6,835,936)
Capital leases payable - Noncurrent	(8,071,025)	(4,513,540)	(12,584,565)
Unspent debt proceeds	<u>12,377,557</u>	<u>3,999,863</u>	<u>16,377,420</u>
Net investment in capital assets	<u>\$ 161,341,318</u>	<u>\$ 145,288,974</u>	<u>\$ 306,630,292</u>

The business-type activities' unspent bond debt proceeds includes \$2,932,875 unspent debt proceeds (Note 10) and \$1,066,988 unspent capital lease proceeds with the latter being reported as cash with fiscal agent.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 6 - Capital Assets

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

	Balance January 1, 2016	Additions	Disposals	Balance December 31, 2016
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 15,106,806	\$ -	\$ 399,718	\$ 14,707,088
Construction in progress	5,339,423	23,595,717	5,339,423	23,595,717
Subtotal	20,446,229	23,595,717	5,739,141	38,302,805
Capital assets being depreciated:				
Buildings	128,082,279	511,018	2,626,309	125,966,988
Improvements other than buildings	16,616,553	4,761,355	-	21,377,908
Machinery and equipment	45,543,924	3,735,447	1,977,385	47,301,986
Roads and other infrastructure	434,344,887	2,722,611	-	437,067,498
Subtotal	624,587,643	11,730,431	4,603,694	631,714,380
Accumulated depreciation:				
Buildings	47,274,258	3,520,373	1,126,070	49,668,561
Improvements other than buildings	9,242,881	693,232	-	9,936,113
Machinery and equipment	30,808,402	4,087,694	1,780,899	33,115,197
Roads and other infrastructure	292,321,510	11,595,470	-	303,916,980
Subtotal	379,647,051	19,896,769	2,906,969	396,636,851
Net capital assets being depreciated	244,940,592	(8,166,338)	1,696,725	235,077,529
Net capital assets	\$ 265,386,821	\$ 15,429,379	\$ 7,435,866	\$ 273,380,334
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 2,614,016	\$ -	\$ 2	\$ 2,614,014
Construction in progress	16,644,050	15,632,896	13,017,405	19,259,541
Subtotal	19,258,066	15,632,896	13,017,407	21,873,555
Capital assets being depreciated:				
Buildings	85,178,794	619,002	1,606,895	84,190,901
Improvements other than buildings	28,186,217	117,509	117,509	28,186,217
Machinery and equipment	40,171,610	5,602,338	3,814,491	41,959,457
Roads and other infrastructure	199,721,525	16,185,102	4,966,028	210,940,599
Subtotal	353,258,146	22,523,951	10,504,923	365,277,174
Accumulated depreciation:				
Buildings	34,631,698	2,096,225	1,309,652	35,418,271
Improvements other than buildings	6,193,452	1,277,888	29,377	7,441,963
Machinery and equipment	22,524,631	3,639,507	3,443,439	22,720,699
Roads and other infrastructure	68,662,837	5,644,809	1,953,148	72,354,498
Subtotal	132,012,618	12,658,429	6,735,616	137,935,431
Net capital assets being depreciated	221,245,528	9,865,522	3,769,307	227,341,743
Net capital assets	\$ 240,503,594	\$ 25,498,418	\$ 16,786,714	\$ 249,215,298

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 6 - Capital Assets (Continued)

Accumulated depreciation additions shown in the two schedules above include depreciation expense and also include accumulated depreciation on assets transferred from other funds.

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

Governmental activities:

General government	\$ 406,945
Public safety	3,123,010
Highways and streets, and other general infrastructure	12,424,217
Culture and recreation	3,061,541
Economic development	675,962
Internal service funds (depreciation is charged to the various functions based on their usage of the assets)	<u>149,026</u>
Total governmental activities depreciation expense	<u>\$ 19,840,701</u>

Business-type activities:

Emergency medical service	\$ 504,835
Water	2,102,758
Wastewater	6,832,296
Century Center	1,062,219
Consolidated building department	152,174
Parking garage	216,069
Solid waste	<u>597,745</u>
Total business-type activities depreciation expense	<u>\$ 11,468,096</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 6 - Capital Assets (Continued)

Construction Commitments - The City has active construction projects at year end. As of December 31, 2016, the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Governmental activities:		
Ignition Park Infrastructure Phase IC - Division A	\$ 4,035,341	\$ 213,471
Martin Luther King Jr., HVAC Revisions	106,267	273,441
2016 Curb & Sidewalk - Division A	289,134	115,165
Chet Waggoner Court	594,564	42,872
Fire Department Station 5	106,848	77,331
One Way to Two Way Conversion:		
Chippewa Avenue & Roundabout - Division A	4,024,696	1,362,286
Marion Roundabout - Division B	742,592	12,258
Main, Michigan, & St Joseph - Division B	<u>13,696,275</u>	<u>5,324,200</u>
Total governmental activities	23,595,717	7,421,024
Business-type activities - Wastewater Utility:		
Secondary Clarifier Rehab/Secondary Treatment Impr.	15,426,772	1,275,433
Calvert St. Lift Station Replacement	52,220	978,370
Prairie Avenue Sewer Sep & Flow Monitoring	628,724	225,000
Grit Removal & Influent Screening Improvements	1,453,663	70,216
East Bank Sewer Separation Phase 5	<u>1,698,162</u>	<u>1,070,160</u>
Total business-type activities	<u>19,259,541</u>	<u>3,619,179</u>
Total	<u>\$ 42,855,258</u>	<u>\$ 11,040,203</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	River West TIF	\$ 18,475
	Nonmajor governmental	28,680
	Water Utility	221
	Total General Fund	47,376
Nonmajor governmental funds	Nonmajor governmental	27,965
	Internal service	2,083
	Total Nonmajor governmental funds	30,048
Water Utility	General	10,024
	Parks & Rec	6,066
	Nonmajor governmental	1,362
	Wastewater Utility	4,330
	Nonmajor enterprise	2,436
	Internal service	1,005
Total Water Utility	25,223	
Wastewater Utility	Water Utility	3,041
Nonmajor enterprise funds	Internal service	1,200
Internal service	General	9,911
	Water	68,833
Total Internal service		78,744
Total		\$ 185,632

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
General Fund	Nonmajor governmental funds	\$ 494,730
COIT	Nonmajor governmental funds	1,351,598
Nonmajor governmental	River West TIF	400,000
	Nonmajor governmental funds	4,036,926
	Nonmajor enterprise funds	<u>31,191</u>
	Total Nonmajor governmental	<u>4,468,117</u>
	Total	<u>\$ 6,314,445</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, 2016

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

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

Receiving Fund	Paying Fund	Amount
General Fund	Nonmajor governmental	\$ 6,738
	Water Utility	1,649,989
	Wastewater Utility	2,970,395
	Total General Fund	4,627,122
Parks and Recreation	Water Utility	330,780
	Wastewater Utility	595,488
	Total Parks and Recreation	926,268
COIT	Nonmajor governmental funds	3,039
River West TIF	Nonmajor governmental	22,199
Nonmajor governmental funds	General Fund	202,504
	COIT	2,609,041
	EDIT	4,599,102
	River West TIF	2,623,500
	Nonmajor governmental funds	3,683,443
	Water Utility	58,979
	Wastewater Utility	106,177
	Century Center	79,676
	Total nonmajor governmental funds	13,962,422
Nonmajor enterprise	EDIT	2,110,468
	Total	\$ 21,651,518

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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 \$232,883. The following is a schedule by years of future minimum rental payments as of December 31, 2016:

<u>Years Ending December 31</u>	<u>Amount</u>
2017	\$ 165,089
2018	90,860
2019	64,160
2020	63,660
2021	63,660
Total	<u>\$ 447,429</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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, 2016 are as follows:

<u>Years Ending December 31</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2017	\$ 3,076,836	\$ 2,166,911
2018	2,649,829	1,560,718
2019	2,162,992	1,331,259
2020	1,775,559	1,272,578
2021	1,181,636	482,074
2022-2026	<u>800,000</u>	<u>-</u>
Total minimum lease payments	11,646,852	6,813,540
Less amount representing interest	<u>717,777</u>	<u>228,417</u>
Present value	<u>\$ 10,929,075</u>	<u>\$ 6,585,123</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	\$ -	\$ 1,324,615
Improvements other than buildings	1,458,939	-
Machinery and equipment	<u>12,301,675</u>	<u>7,904,821</u>
Total	13,760,614	9,229,436
Accumulated depreciation	<u>(6,618,151)</u>	<u>(3,669,137)</u>
Net	<u>\$ 7,142,463</u>	<u>\$ 5,560,299</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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
Governmental Activities	
<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	\$ 2,416,135
2012 New Fire Station/Police Renovations Refunding Interest rates: 2.1% to 5.0% Original issue: \$13,595,000 Principal installments: \$545,000 to \$770,000 Maturity: February 1, 2023	<u>8,885,000</u>
Subtotal	11,301,135
<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	2,210,000
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	7,125,000
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	12,500,000

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

Description	Amount
Governmental Activities (Continued)	
<u>Revenue Bonds (continued):</u>	
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	\$ 3,800,000
2015 Eddy Street Common 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	30,075,000
2013 Century Center Improvements Interest rates: 4.0% to 5.63% Original issue: \$4,655,000 Installments: \$155,000 to \$375,000 plus interest * Maturity: May 1, 2028	3,175,000
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	515,000
2011 Hall of Fame Refinancing Interest rates: .8% to 3.65% Original issue: \$7,580,000 Installments of \$550,000 to \$615,000 plus interest Maturity: February 1, 2018	1,830,000
2011 Century Center Refinancing 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	720,000
2006 CEDIT Refinancing Bonds 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	430,000
2015 Redevelopment Authority Smart Streets Bonds (Bank of America/Merrill) 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 (Bank of America) Interest rates: 3.00 - 3.75% Original issue: \$5,605,000 Installments of \$16,667 to \$65,000 plus interest Maturity: August 1, 2035	5,405,000

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

Description	Amount
Governmental Activities (Continued)	
<u>Revenue Bonds (continued):</u>	
2010 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	\$ 1,665,000
Subtotal	96,836,508
<u>Notes and Loans Payable:</u>	
Indiana Development Finance Authority (Bosch Project) Interest rate: 3.034% Original issue: \$1,040,000 Installments of \$18,003 per quarter, includes interest Maturity: March 22, 2021	302,069
2014 Coveleski Stadium Synagogue Installment Purchase Agreement Interest rate: none Original issue: \$500,000 Installments of \$100,000 per year Maturity: January 31, 2018	200,000
2015 Century Center Energy Conservation Bond Interest rates: 3.5% Original issue: \$4,167,897 Installments of \$22,585 to \$176,508 plus interest Maturity: May 1, 2031	4,145,312
Subtotal	4,647,381
Total governmental activity debt	\$ 112,785,024

* 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	\$ 338,865
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	5,145,000
Subtotal	\$ 5,483,865

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

Description	Amount
<u>Business-type Activities (Continued)</u>	
Revenue Bonds:	
2016 Waterworks Refunding Bonds (City Securities) Interest rates: 3.0% Original issue: \$3,300,000 Installments of \$260,000 to \$440,000 plus interest Maturity: January 1, 2027	\$ 3,300,000
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	4,325,000
2012 Water Works Improvement Interest rate: 2.0% Original issue: \$5,975,000 Installments of \$335,000 to \$425,000 plus interest Maturity: January 1, 2023	2,380,000
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	6,925,000
2015 Sewage Works Refunding Bonds (Huntington Public Capital) Interest rates: 2.0% Original issue: \$27,440,000 Installments of \$2,475,000 to \$3,025,000 plus interest Maturity: December 1, 2025	\$ 24,965,000
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	7,145,000
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	17,295,000
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	20,890,000
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	8,050,000
Subtotal	95,275,000

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

Description	Amount
Business-type Activities (Continued)	
<u>Notes and Loans Payable:</u>	
2009 Water Works State Revolving Loan	
Interest rate: 3.37%	
Original issue: \$427,332	
Installments of \$17,719 to \$29,459 plus interest	
Maturity: January 1, 2030	332,562
2009 Sewage Works State Revolving Loan	
Interest rate: 2.81%	
Original issue: \$3,297,000	
Installments of \$130,201 to \$220,378 plus interest	
Maturity: December 1, 2028	<u>2,249,643</u>
Subtotal	<u>2,582,205</u>
Total business-type activity debt	<u>\$ 103,341,070</u>

Excluded from the governmental activities amounts outstanding are total unamortized premiums of \$790,415 and \$2,203,624 related to the mortgage bonds and revenue bonds, respectively.

Excluded from the business-type activities amounts outstanding are total unamortized premiums of \$73,000 and \$202,047 related to the mortgage bonds and revenue bonds, respectively.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Mortgage bonds	\$ 13,904,973	\$ -	\$ 1,813,423	\$ 12,091,550	\$ 1,744,275
Revenue bond	<u>107,815,890</u>	<u>-</u>	<u>8,775,758</u>	<u>99,040,132</u>	<u>11,962,653</u>
Total bonds payable	121,720,863	-	10,589,181	111,131,682	13,706,928
Notes and loans payable	4,831,752	-	184,371	4,647,381	210,266
Capital leases	<u>8,491,407</u>	<u>5,042,991</u>	<u>2,605,323</u>	<u>10,929,075</u>	<u>2,858,050</u>
Subtotal	135,044,022	5,042,991	13,378,875	126,708,138	16,775,244
Accumulated compensated absences	4,604,779	4,756,341	4,604,779	4,756,341	4,756,341
Net pension liability	191,240,248	-	10,525,952	180,714,296	-
Net OPEB obligation	<u>11,660,935</u>	<u>1,624,309</u>	<u>-</u>	<u>13,285,244</u>	<u>-</u>
Total governmental activities	<u>\$ 342,549,984</u>	<u>\$ 11,423,641</u>	<u>\$ 28,509,606</u>	<u>\$ 325,464,019</u>	<u>\$ 21,531,585</u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

Compensated absences for governmental activities typically have been liquidated from the General Fund and special revenue funds. All of the December 31, 2016 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	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Mortgage bonds	\$ 5,851,565	\$ -	\$ 294,700	\$ 5,556,865	\$ 295,725
Revenue bonds	102,871,921	3,300,000	10,694,874	95,477,047	8,210,000
Total bonds payable	108,723,486	3,300,000	10,989,574	101,033,912	8,505,725
Capital leases payable	4,411,042	3,855,808	1,681,727	6,585,123	2,071,583
Notes and loans payable	3,458,899	-	876,694	2,582,205	183,384
Total business-type activities	\$ 116,593,427	\$ 7,155,808	\$ 13,547,995	\$ 110,201,240	\$ 10,760,692

Total interest expense for the year was \$8,353,046. 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
2017	\$ 13,917,194	\$ 3,761,808	\$ 17,679,002	\$ 8,689,109	\$ 2,845,600	\$ 11,534,709
2018	9,205,743	3,649,345	12,855,088	8,876,840	3,531,265	12,408,105
2019	8,310,564	3,316,579	11,627,143	7,729,722	2,538,876	10,268,598
2020	8,262,967	3,002,940	11,265,907	7,733,376	2,346,547	10,079,923
2021	8,245,632	2,692,179	10,937,811	7,910,986	2,149,442	10,060,428
2022-2026	29,929,281	8,761,533	38,690,814	36,564,041	7,646,853	44,210,894
2027-2031	20,846,096	4,376,374	25,222,470	22,816,996	2,858,582	25,675,578
2032-2036	13,227,547	1,226,755	14,454,302	3,020,000	100,534	3,120,534
2037-2041	840,000	16,800	856,800	-	-	-
Total	\$ 112,785,024	\$ 30,804,313	\$ 143,589,337	\$ 103,341,070	\$ 24,017,699	\$ 127,358,769

Current Refundings - On December 27, 2016, the City of South Bend issued \$3,300,000 in Water Works Refunding revenue bonds with an average interest rate of 3.00 percent to currently refund the remainder of its 2006 Water Works Revenue Bonds and its 2000 Water Works State Revolving Loan to take advantage of favorable interest rates and lower future debt service payments. The net proceeds of \$3,245,142 (after payment of \$124,096 in issuance costs) were used to redeem \$3,788,431 in bonds and loans. In so doing, the City saved \$171,657 in debt service costs over the remaining life of the bonds.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 9 - Long-term Debt (Continued)

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 2016, the Water Utility paid \$1,781,109 in debt payments or approximately 16.8 percent of operating revenues. The Wastewater Utility paid \$9,953,645 in debt payments or approximately 25.4 percent of operating revenues.

The City has pledged tax incremental financing revenues to meet tax incremental financing and Redevelopment Authority debt requirements. The City has pledged economic development income taxes (EDIT) to meet the EDIT revenue bond debt requirements with payments of debt service of \$884,030 during 2016. The City has also pledged taxes in the Professional Sports and Convention Development (PSCD) Area to meet the PSCD revenue bonds with payments of debt service of \$838,050 during 2016.

Note 10 - Restricted Assets

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

Cash, cash equivalents, and investments:	
Debt service fund	\$ 864,299
Customer repair and deposit fund	3,294,355
Cash with fiscal agent	1,293,464
Bond reserve fund	5,504,372
Operating reserve fund	7,085,329
Capital outlay accounts	10,989,157
Unspent bond proceeds	<u>2,932,875</u>
Total restricted assets	<u>\$ 31,963,851</u>

Cash with fiscal agent includes \$1,066,988 for capital asset purchases and \$226,476 for debt purchases.

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, 2016, 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, has been extended through December 31, 2019, and is renewable for an additional three-year period. 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). In recent years, 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, 2015, or 2016. A premium is charged to each fund based on a study of paid claims and based on the number of employees and percent of the total budget. Provisions are also made for unexpected and unusual claims.

Note 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. 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. Claims resulting from this risk exceeded the self-retention amount during 2014, 2015, and 2016 by \$724,350, \$398,000, and \$1,585,602, respectively. A premium is charged to each fund based on the number of employees and estimated costs exceeding the employees' contributions. Provisions are also made for unexpected and unusual claims.

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

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

	Liability Insurance		Group Health	
	2016	2015	2016	2015
Unpaid claims - Beginning of year	\$ 1,476,268	\$ 1,671,438	\$ 1,097,776	\$ 1,085,259
Incurred claims, including claims incurred but not reported	653,732	1,354,057	12,074,811	13,321,524
Claim payments	(826,599)	(1,549,227)	(12,158,373)	(13,309,007)
Unpaid claims - End of year	\$ 1,303,401	\$ 1,476,268	\$ 1,014,214	\$ 1,097,776

Note 14 - Subsequent Events

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.

Note 14 - Subsequent Events (Continued)

On January 18 2017, the City paid off the 2005 Southside Tax Incremental Financing (TIF) revenue bonds' \$3,800,000 outstanding balance. This early debt payoff was paid from the TIF No. 3 - Southside Development fund, a nonmajor capital project fund. These bonds had a February 1, 2027 original maturity.

On January 23, 2017, the Common Council approved the Eddy Street Commons Phase 2 revenue bonds in an amount not to exceed \$25 million. These bonds are financing infrastructure public improvements.

On March 27, 2017, the Common Council approved a water rate increase of 22 percent in 2018 and a second increase of 22 percent in 2019 to fund the operating and capital needs of the Water Utility. These rate increases will be effective if approved by the Indiana Utility Regulatory Commission.

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, 2016 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 2016 the City approved no new industrial revenue bonds.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

Note 16 - Fund Balance Constraints

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

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Fund Balances									
Nonspendable:									
Inventory	\$ -	\$ 27,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,113
Advances to other funds	494,730	-	-	1,351,598	-	-	-	4,468,117	6,314,445
Property held for resale	-	-	-	174,999	270,001	-	9,583,608	3,689,943	13,718,551
Noncurrent loans receivable	-	-	-	-	-	-	-	4,000,888	4,000,888
Total	494,730	27,113	-	1,526,597	270,001	-	9,583,608	12,158,948	24,060,997
Restricted:									
Debt service	-	-	-	-	-	-	-	8,669,119	8,669,119
General administration	-	-	-	-	-	-	-	3,562,215	3,562,215
Police and fire salaries	-	-	826,457	-	-	-	-	-	826,457
Police and fire programs	-	-	-	-	-	-	-	1,560,159	1,560,159
Street maintenance	-	-	-	-	-	-	-	13,126,072	13,126,072
Economic development projects	-	-	-	-	-	-	31,331,391	25,361,244	56,692,635
Parks maintenance	-	4,318,657	-	-	-	-	-	1,649,092	5,967,749
Cultural capital projects	-	-	-	-	-	-	-	4,814,810	4,814,810
Street capital projects	-	-	-	-	-	-	-	6,607,424	6,607,424
Total	-	4,318,657	826,457	-	-	-	31,331,391	65,350,135	101,826,640
Committed:									
General administration	-	-	-	-	-	-	-	1,304,190	1,304,190
Police and fire programs	-	-	-	-	-	-	-	115,261	115,261
Economic development projects	-	-	-	-	-	-	-	410,750	410,750
Cultural capital	-	-	-	-	-	-	-	868,493	868,493
Total	-	-	-	-	-	-	-	2,698,694	2,698,694
Assigned:									
Cultural projects	-	-	-	-	-	-	-	140,759	140,759
General administration	1,380,036	-	-	8,487,370	10,929,888	10,185,414	-	-	30,982,708
Police and fire programs	-	-	-	-	-	-	-	2,858	2,858
Street maintenance	-	-	-	-	-	-	-	910,414	910,414
Economic development administration	-	-	-	-	-	-	-	1,342,087	1,342,087
Total	1,380,036	-	-	8,487,370	10,929,888	10,185,414	-	2,396,118	33,378,826
Unassigned	32,077,856	-	-	-	-	-	-	(2,301,793)	29,776,063
Total fund balance	\$ 33,952,622	\$ 4,345,770	\$ 826,457	\$ 10,013,967	\$ 11,199,889	\$ 10,185,414	\$ 40,914,999	\$ 80,302,102	\$ 191,741,220

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.

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, 2016, the City contributed \$750,543 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, 2016, 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	275,198
Less adjustment to the annual required contribution	<u>(401,460)</u>
Annual OPEB cost	2,374,852
Amounts contributed:	
Payments of current premiums	(750,543)
Advance funding	<u>-</u>
Increase in net OPEB obligation	1,624,309
OPEB obligation - Beginning of year	<u>11,660,935</u>
OPEB obligation - End of year	<u><u>\$ 13,285,244</u></u>

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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, 2016 was 29 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, 2016 was 11.2 percent of annual payroll. Contributions to the plan from the City were \$3,037,666 for the year ended December 31, 2016.

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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, 2016, the City reported a liability of \$24,845,715 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, relative to all other contributing employers. At June 30, 2016, the City's proportion was 0.54745 percent, which was a decrease of 0.00959 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$4,526,527. At December 31, 2016, 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	\$ 556,637	\$ 45,864
Changes in assumptions	5,464,713	1,397,973
Net difference between projected and actual earnings on pension plan investments	1,096,213	-
City contributions made subsequent to the measurement date	1,645,758	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	191,708	591,483
Total	<u>\$ 8,955,029</u>	<u>\$ 2,035,320</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 (\$1,645,758), which will impact the net pension liability in fiscal year 2017, rather than pension expense. (No amounts available for 2021 and thereafter).

Years Ending June 30	Amount
2017	\$ 1,895,361
2018	1,152,720
2019	1,564,611
2020	661,259

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, 2016 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, 2016 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, 2016 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 %	5.70 %
Private equity	10	6.20
Fixed income - Ex inflation - Linked	24	2.70
Fixed income - Inflation - Linked	7	0.70
Commodities	8	2.00
Real estate	7	2.70
Absolute return	10	4.00
Risk parity	12	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	\$ 35,684,329	\$ 24,845,715	\$ 15,837,187

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, 2016 was 19.7 percent of annual payroll. Contributions to the plan from the City were \$5,235,217 for the year ended December 31, 2016.

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

Net Pension Liability, Deferrals, and Pension Expense

At December 31, 2016, the City reported a pension liability of \$3,121,765 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 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, 2016, relative to all other contributing employers. At December 31, 2016, the City's proportion was 3.5140 percent, which was a decrease of 0.08806 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$4,083,744. At June 30, 2016, 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	\$ 1,303,992	\$ 1,980,412
Changes in assumptions	-	8,547,860
Net difference between projected and actual earnings on pension plan investments	15,121,609	3,601,053
City contributions made subsequent to the measurement date	797,296	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>107,674</u>	<u>141,747</u>
Total	<u>\$ 17,330,571</u>	<u>\$ 14,271,072</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 (\$797,296), which will impact the net pension liability in fiscal year 2016, rather than pension expense.

Years Ending June 30	Amount
2017	\$ 1,324,258
2018	1,324,258
2019	3,124,783
2020	591,918
2021	(1,288,835)
Thereafter	(2,814,179)

Actuarial Assumptions - The total pension liability in the June 30, 2016 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, 2016 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 %	5.70 %
Private equity	10	6.20
Fixed income - Ex inflation - Linked	24	2.70
Fixed income - Inflation - Linked	7	0.70
Commodities	8	2.00
Real estate	7	2.70
Absolute return	10	4.00
Risk parity	12	5.00

Sensitivity of the Net Pension Liability 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)	\$ 31,878,746	\$ 3,121,765	\$ (20,081,893)

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/2016INPRSCAFRBook.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, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	210
Active plan members	<u>5</u>
Total employees covered by the plan	<u><u>215</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 \$5,991,750 during 2016 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, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash or cash equivalents	24 %
Fixed income investments	76

Rate of Return - For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.97 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, 2016 and is composed of the following:

Total pension liability	\$ 84,083,604
Plan fiduciary net position	<u>(793,858)</u>
City's net pension liability	<u>\$ 83,289,746</u>
Plan fiduciary net position as a percentage of the total pension liability	0.9 %

City of South Bend, Indiana

Notes to Financial Statements December 31, 2016

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
Balance at December 31, 2015	\$ 92,772,809	\$ 1,157,433	\$ 91,615,376
Service cost	164,481	-	164,481
Interest	2,344,653	-	2,344,653
Differences between expected and actual experience	396,259	-	396,259
Changes in assumptions	(5,617,308)	-	(5,617,308)
Non-employer contributing entity contributions		5,991,750	(5,991,750)
Net investment income	-	6,713	(6,713)
Other revenue	-	15,749	(15,749)
Benefit payments, including refunds	(5,977,290)	(6,364,236)	386,946
Administrative expenses	-	(13,551)	13,551
Net changes	<u>(8,689,205)</u>	<u>(363,575)</u>	<u>(8,325,630)</u>
Balance at December 31, 2016	<u>\$ 84,083,604</u>	<u>\$ 793,858</u>	<u>\$ 83,289,746</u>

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

For the year ended December 31, 2016, the City recognized pension expense of \$6,377,787. At December 31, 2016, 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, 2016 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	3.23 %	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 3.23 percent. The discount rate increased from the 2.59 percent used for the December 31, 2016 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 3.23 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2016. 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, 2016 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.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
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 3.23 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 (2.23 percent) or 1 percentage point higher (4.23 percent) than the current rate:

	<u>1 Percent Decrease (2.23%)</u>	<u>Current Discount Rate (3.23%)</u>	<u>1 Percent Increase (4.23%)</u>
Net pension liability of the City	\$ 92,264,997	\$ 83,289,746	\$ 75,705,132

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, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	172
Active plan members	<u>6</u>
Total employees covered by the plan	<u><u>178</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 firefighter. 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 \$4,866,271 during 2016 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, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash or cash equivalents	24.0 %
Government agency securities	76.0

Rate of Return - For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.97 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, 2016

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, 2016 and is composed of the following:

Total pension liability	\$ 69,624,264
Plan fiduciary net position	<u>(167,194)</u>
City's net pension liability	<u>\$ 69,457,070</u>

Plan fiduciary net position as a percentage of the total pension liability 0.2 %

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
Balance at December 31, 2015	\$ 77,409,213	\$ 472,035	\$ 76,937,178
Service cost	163,162	-	163,162
Interest	1,940,826	-	1,940,826
Differences between expected and actual experience	(262,337)	-	(262,337)
Changes in assumptions	(4,645,609)	-	(4,645,609)
Non-employer contributing entity contributions		4,866,271	(4,866,271)
Net investment income	-	2,852	(2,852)
Other revenue	-	6,279	(6,279)
Benefit payments, including refunds	(4,980,991)	(5,165,758)	184,767
Administrative expenses	<u>-</u>	<u>(14,485)</u>	<u>14,485</u>
Net changes	<u>(7,784,949)</u>	<u>(304,841)</u>	<u>(7,480,108)</u>
Balance at December 31, 2016	<u>\$ 69,624,264</u>	<u>\$ 167,194</u>	<u>\$ 69,457,070</u>

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

For the year ended December 31, 2016, the City recognized pension expense of \$5,180,243. At December 31, 2016, 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, 2016 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	3.23 %	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 3.23 percent. The discount rate increased from the 2.59 percent used for the December 31, 2016 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 3.23 percent. The source of that bond rate was the Barclay's 20 year Municipal Bond Index as of December 31, 2016. 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, 2016 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.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
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 3.23 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 (2.23 percent) or 1 percentage point higher (4.23 percent) than the current rate:

	<u>1 Percent Decrease (2.23%)</u>	<u>Current Discount Rate (3.23%)</u>	<u>1 Percent Increase (4.23%)</u>
Net pension liability of the City	\$ 76,932,710	\$ 69,457,070	\$ 63,140,181

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, 2016

Note 22 - Pension Trust Funds

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

	1925 Police Pension	1937 Firefighters' Pension
<u>Statement of Net Position</u>		
Cash and investments	\$ 791,162	\$ 167,278
Other assets	2,788	349
Liabilities	<u>(92)</u>	<u>(433)</u>
Net position	<u>\$ 793,858</u>	<u>\$ 167,194</u>
<u>Statement of Changes in Net Position</u>		
Investment income	\$ 6,713	\$ 2,852
Contributions	6,007,499	4,872,550
Benefit payments	(6,364,236)	(5,165,758)
Other deductions	<u>(13,551)</u>	<u>(14,485)</u>
Net change in net position	<u>\$ (363,575)</u>	<u>\$ (304,841)</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, 2016, the total expenses incurred were \$22,064. 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 - Tax Abatements

The City enters into property tax abatement agreements with local businesses and also for qualifying residential construction under the City's Municipal Code Chapter 2, Article 6, Tax Abatements, created by Ordinance 7267-83. Under this Article, the City may grant property tax abatements to a business located within or promising to relocate to the City for the purpose of attracting or retaining the business and also for the purpose of encouraging residential construction within economic development target areas.

For the fiscal year ended December 31, 2016, the City abated property taxes totaling \$677,479 under this program. Two industrial properties had property taxes abated that exceeded 10 percent of the total amount. For these two properties the taxes abated were \$106,405 and \$93,375.

Note 25 - Upcoming Accounting Pronouncements

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.

Required Supplemental Information

City of South Bend, Indiana

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.0 %	0.8 %	0.6 %

City of South Bend, Indiana

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 6,133,389	\$ 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
Contributions in relation to the actuarially determined contribution	6,364,236	6,323,645	6,116,195	5,837,216	6,776,614	6,512,842	5,805,597	6,355,442	5,072,985	4,773,188
Contribution (Excess) Deficiency	<u>\$ (230,847)</u>	<u>\$ (250,596)</u>	<u>\$ 316,605</u>	<u>\$ 795,984</u>	<u>\$ 209,586</u>	<u>\$ 804,958</u>	<u>\$ 867,503</u>	<u>\$ (359,742)</u>	<u>\$ 1,348,515</u>	<u>\$ 1,949,612</u>
Covered Employee Payroll	\$ -	\$ 441,200	\$ 441,200	\$ 430,000	\$ 421,800	\$ 542,900	\$ 569,500	\$ 611,000	\$ 652,000	\$ 350,667
Contributions as a Percentage of Covered Employee Payroll	n/a	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 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2016
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	3.23% 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 Three Fiscal Years

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 164,481	\$ 184,104	\$ 157,965
Interest	2,344,653	2,415,583	3,721,864
Changes in benefit terms	-	-	-
Differences between expected and actual experience	396,259	(2,973,249)	-
Changes in assumptions	(5,617,308)	(294,402)	12,487,771
Projected benefit payments	(5,977,290)	(6,061,589)	(6,122,870)
Net Change in Total Pension Liability	(8,689,205)	(6,729,553)	10,244,730
Total Pension Liability - Beginning of year	92,772,809	99,502,362	89,257,632
Total Pension Liability - End of year	\$ 84,083,604	\$ 92,772,809	\$ 99,502,362
Plan Fiduciary Net Position			
Contributions - Other	\$ 15,749	\$ 62	\$ 4,329
Contributions - Non-employer Entity	5,991,750	6,378,359	6,111,865
Net investment income	6,713	4,376	3,759
Administrative expenses	(13,551)	(12,462)	(10,957)
Benefit payments, including refunds	(6,364,236)	(6,323,646)	(6,705,815)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(363,575)	46,689	(596,819)
Plan Fiduciary Net Position - Beginning of year	1,157,433	1,110,743	1,707,562
Plan Fiduciary Net Position - End of year	\$ 793,858	\$ 1,157,432	\$ 1,110,743
City's Net Pension Liability - Ending	\$ 83,289,746	\$ 91,615,377	\$ 98,391,619
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.94 %	1.25 %	1.12 %
Covered Employee Payroll	\$ -	\$ 441,200	\$ 441,200
City's Net Pension Liability as a Percentage of Covered Employee Payroll	n/a	20,765.0 %	22,300.9 %

City of South Bend, Indiana

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.0 %	0.8 %	0.6 %

City of South Bend, Indiana

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 5,152,192	\$ 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
Contributions in relation to the actuarially determined contribution	5,165,758	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
Contribution (Excess) Deficiency	<u>\$ (13,566)</u>	<u>\$ (220,116)</u>	<u>\$ 305,819</u>	<u>\$ 499,581</u>	<u>\$ 578,730</u>	<u>\$ 895,958</u>	<u>\$ 639,254</u>	<u>\$ (157,758)</u>	<u>\$ (266,172)</u>	<u>\$ (1,633,536)</u>
Covered Employee Payroll	\$ -	\$ 328,600	\$ 328,600	\$ 319,300	\$ 365,500	\$ 397,100	\$ 429,500	\$ 474,450	\$ 519,400	\$ 1,338,200
Contributions as a Percentage of Covered Employee Payroll	n/a	1,581.6 %	1,561.3 %	1,582.0 %	1,425.1 %	1,386.0 %	1,204.2 %	1,141.6 %	905.3 %	503.5 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2016
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	3.23% 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 Three Fiscal Years

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 163,162	\$ 155,487	\$ 114,297
Interest	1,940,826	2,020,796	3,155,669
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(262,337)	(2,816,692)	-
Changes in assumptions	(4,645,609)	(245,887)	9,620,657
Projected benefit payments	(4,980,991)	(5,094,762)	(5,206,870)
Net Change in Total Pension Liability	(7,784,949)	(5,981,058)	7,683,753
Total Pension Liability - Beginning of year	77,409,213	83,390,271	75,706,518
Total Pension Liability - End of year	\$ 69,624,264	\$ 77,409,213	\$ 83,390,271
Plan Fiduciary Net Position			
Contributions - Other	\$ 6,279	\$ 2,667	\$ 1,484
Contributions - Non-employer Entity	4,866,271	5,039,025	5,129,098
Net investment income	2,852	2,675	1,963
Administrative expenses	(14,485)	(14,255)	(10,920)
Benefit payments, including refunds	(5,165,757)	(5,197,159)	(5,407,429)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(304,840)	(167,047)	(285,804)
Plan Fiduciary Net Position - Beginning of year	472,034	639,081	924,885
Plan Fiduciary Net Position - End of year	\$ 167,194	\$ 472,034	\$ 639,081
City's Net Pension Liability - Ending	\$ 69,457,070	\$ 76,937,179	\$ 82,751,190
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.24 %	0.61 %	0.77 %
Covered Employee Payroll	\$ -	\$ 328,600	\$ 328,600
City's Net Pension Liability as a Percentage of Covered Employee Payroll	n/a	23,413.6 %	25,183.0 %

City of South Bend, Indiana

Required Supplemental Information OPEB System Schedule Year Ended December 31, 2016

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
1/1/16	-	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, Indiana

Required Supplemental Information Public Employees' Retirement Fund Schedule of City Contributions Last Two Fiscal Years

	2016	2015
Actuarially determined contribution	\$ 4,526,527	\$ 3,650,212
Contributions in relation to the actuarially determined contribution	2,933,996	2,982,234
Contribution Deficiency	\$ 1,592,531	\$ 667,978
Covered Employee Payroll	\$ 26,237,016	\$ 26,681,229
Contributions as a Percentage of Covered Employee Payroll	11.2 %	11.2 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2016
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, Indiana

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

	2016	2015	2014
City's proportion of the net pension liability (asset)	0.54700 %	0.55700 %	0.56300 %
City's proportionate share of the net pension liability (asset)	\$ 24,845,715	\$ 22,687,694	\$ 14,807,363
City's covered employee payroll	\$ 26,237,016	\$ 26,681,229	\$ 27,509,916
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	94.7 %	85.0 %	53.8 %
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.3 %	77.3 %	84.3 %

City of South Bend, Indiana

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

	2016	2015
Actuarially determined contribution	\$ 2,029,937	\$ 709,017
Contributions in relation to the actuarially determined contribution	2,673,614	2,625,418
Contribution Deficiency (Excess)	\$ (643,677)	\$ (1,916,401)
Covered Employee Payroll	\$ 13,571,531	\$ 13,327,077
Contributions as a Percentage of Covered Employee Payroll	19.7 %	19.7 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2016
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, Indiana

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

	2016	2015	2014
City's proportion of the net pension liability (asset)	1.75600 %	1.78700 %	1.82900 %
City's proportionate share of the net pension liability (asset)	\$ 1,559,932	\$ (2,640,039)	\$ (932,236)
City's covered employee payroll	\$ 13,571,531	\$ 13,327,077	\$ 12,981,067
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	11.5 %	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.2 %	103.2 %	101.1 %

City of South Bend, Indiana

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

	2016	2015
Actuarially determined contribution	\$ 2,053,807	\$ 743,238
Contributions in relation to the actuarially determined contribution	2,673,917	2,666,116
Contribution Deficiency (Excess)	\$ (620,110)	\$ (1,922,878)
Covered Employee Payroll	\$ 13,588,032	\$ 13,533,745
Contributions as a Percentage of Covered Employee Payroll	19.7 %	19.7 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2016
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, Indiana

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

	2016	2015	2014
City's proportion of the net pension liability (asset)	1.75800 %	1.81500 %	1.79500 %
City's proportionate share of the net pension liability (asset)	\$ 1,561,833	\$ (2,680,987)	\$ (915,265)
City's covered employee payroll	\$ 13,588,032	\$ 13,533,745	\$ 12,744,754
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	11.5 %	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.2 %	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, 2016

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - Property	\$ 37,294,758	\$ 39,362,140	\$ 39,362,139	\$ (1)
Licenses and permits	330,990	196,745	192,840	(3,905)
Intergovernmental	9,082,389	9,086,821	9,239,036	152,215
Charges for services	13,105	13,445	145	(13,300)
Fines and forfeits	25,920	26,060	14,712	(11,348)
Other	3,276,961	3,970,628	3,837,390	(133,238)
Total revenues	50,024,123	52,655,839	52,646,262	(9,577)
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	685,492	685,492	627,628	57,864
Supplies	3,000	3,662	1,164	2,498
Other services and charges	52,775	60,729	50,752	9,977
Mayor - 311 Call Center:				
Personnel services	-	-	-	-
Supplies	-	2,350	1,629	721
Other services and charges	-	3,583	2,181	1,402
Capital outlay	-	-	-	-
City Clerk:				
Personnel services	332,855	332,855	298,243	34,612
Supplies	6,800	7,582	6,702	880
Other services and charges	91,918	103,038	100,096	2,942
Capital outlay	-	-	-	-
Common Council:				
Personnel services	278,253	287,971	287,882	89
Supplies	4,500	8,936	6,759	2,177
Other services and charges	206,297	234,128	228,921	5,207
WNIT Contract:				
Other services and charges	43,000	43,000	43,000	-
Administration/Finance:				
Personnel services	1,978,924	1,938,924	1,785,784	153,140
Supplies	41,207	42,034	23,853	18,181
Other services and charges	132,956	246,530	238,969	7,561

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
General government (Continued):				
City Attorney:				
Personnel services	\$ 984,630	\$ 948,130	\$ 937,856	\$ 10,274
Supplies	3,450	3,712	3,711	1
Other services and charges	48,430	84,930	81,457	3,473
Human Rights:				
Personnel services	298,643	298,643	283,311	15,332
Supplies	1,546	1,546	1,200	346
Other services and charges	71,037	71,037	64,646	6,391
Capital outlay	-	-	-	-
Neighborhood Code Enforcement:				
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Total General Government	<u>5,265,713</u>	<u>5,408,812</u>	<u>5,075,744</u>	<u>333,068</u>
Public Safety:				
Police Department:				
Personnel services	23,573,968	22,663,968	22,356,815	307,153
Supplies	273,227	1,256,456	1,196,917	59,539
Other services and charges	2,456,207	2,479,050	2,311,147	167,903
Communication Center:				
Personnel services	-	-	-	-
Other services and charges	1,479,012	1,479,012	1,479,012	-
Fire Department:				
Personnel services	16,306,864	16,684,938	16,680,397	4,541
Supplies	325,150	512,643	421,426	91,217
Other services and charges	1,469,347	1,577,508	1,574,281	3,227
Total Public Safety	<u>45,883,775</u>	<u>46,653,575</u>	<u>46,019,995</u>	<u>633,580</u>
Highways and Streets - Engineering:				
Personnel services	776,239	767,939	664,132	103,807
Supplies	40,500	66,447	56,121	10,326
Other services and charges	303,595	390,751	370,484	20,267
Total highways and streets	<u>1,120,334</u>	<u>1,225,137</u>	<u>1,090,737</u>	<u>134,400</u>

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Culture and recreation:				
Palais Royale Ballroom:				
Personnel services	\$ 244,557	\$ 255,007	\$ 241,501	\$ 13,506
Supplies	28,350	22,855	14,369	8,486
Other services and charges	199,389	220,576	195,581	24,995
Capital outlay	-	-	-	-
Morris Performing Arts Center:				
Personnel services	823,612	797,212	720,763	76,449
Supplies	22,201	22,698	17,965	4,733
Other services and charges	264,437	309,987	283,151	26,836
Total culture and recreation	<u>1,582,546</u>	<u>1,628,335</u>	<u>1,473,330</u>	<u>155,005</u>
Total expenditures	<u>53,852,368</u>	<u>54,915,859</u>	<u>53,659,806</u>	<u>1,256,053</u>
Other financing sources - Transfers In	<u>3,828,245</u>	<u>3,828,245</u>	<u>3,828,263</u>	<u>18</u>
Other financing sources - Transfers Out	<u>-</u>	<u>(202,104)</u>	<u>(202,504)</u>	<u>(400)</u>
Net change in fund balances	-	1,366,121	2,612,215	1,246,094
Fund balances - Beginning	<u>30,486,009</u>	<u>30,486,009</u>	<u>30,486,009</u>	<u>-</u>
Fund balances - Ending	<u>\$ 30,486,009</u>	<u>\$ 31,852,130</u>	<u>\$ 33,098,224</u>	<u>\$ 1,246,094</u>

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	Parks and Recreation Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - Property	\$ 7,487,000	\$ 7,902,995	\$ 7,902,995	\$ -
Intergovernmental	1,581,265	1,581,265	1,593,574	12,309
Charges for services	1,903,640	1,928,040	1,653,404	(274,636)
Fines and forfeits	500	500	-	(500)
Other	207,394	228,225	200,305	(27,920)
Total revenues	<u>11,179,799</u>	<u>11,641,025</u>	<u>11,350,278</u>	<u>(290,747)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	7,222,560	7,276,810	7,120,794	156,016
Supplies	1,096,831	1,094,754	949,139	145,615
Other services and charges	2,723,049	2,907,694	2,763,044	144,650
Capital outlay	50,000	27,312	22,760	4,552
Other Uses	-	-	-	-
Total expenditures	<u>11,092,440</u>	<u>11,306,570</u>	<u>10,855,737</u>	<u>450,833</u>
Other financing sources - Transfers out	<u>(85,500)</u>	<u>(56,889)</u>	<u>-</u>	<u>56,889</u>
Net change in fund balances	1,859	277,566	494,541	216,975
Fund balances - Beginning	<u>3,924,992</u>	<u>3,924,992</u>	<u>3,924,992</u>	<u>-</u>
Fund balances - Ending	<u>\$ 3,926,851</u>	<u>\$ 4,202,558</u>	<u>\$ 4,419,533</u>	<u>\$ 216,975</u>

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	Public Safety LOIT Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - County option income tax	\$ 6,791,160	\$ 6,791,160	\$ 6,791,160	\$ -
Other	6,000	6,000	6,989	989
Total revenues	<u>6,797,160</u>	<u>6,797,160</u>	<u>6,798,149</u>	<u>989</u>
Expenditures - Personnel services	<u>6,600,626</u>	<u>6,600,626</u>	<u>6,499,636</u>	<u>100,990</u>
Net change in fund balances	196,534	196,534	298,513	101,979
Fund balances - Beginning	<u>642,770</u>	<u>642,770</u>	<u>642,770</u>	<u>-</u>
Fund balances - Ending	<u>\$ 839,304</u>	<u>\$ 839,304</u>	<u>\$ 941,283</u>	<u>\$ 101,979</u>

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	COIT Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - County option income	\$ 9,454,023	\$ 9,454,023	\$ 9,454,023	\$ -
Other	878,961	916,987	976,977	59,990
Total revenues	<u>10,332,984</u>	<u>10,371,010</u>	<u>10,431,000</u>	<u>59,990</u>
Expenditures:				
Current:				
General Government:				
Personnel Services	419,439	419,439	403,691	15,748
Supplies	1,465,932	1,251,271	938,762	312,509
Other services and charges	9,257,308	12,091,368	11,675,640	415,728
Capital outlay	314,000	579,370	326,603	252,767
Total expenditures	<u>11,456,679</u>	<u>14,341,448</u>	<u>13,344,697</u>	<u>996,751</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	(2,623,695)	(5,470,438)	(4,413,697)	1,056,741
Fund balances - Beginning	<u>12,100,667</u>	<u>12,100,667</u>	<u>12,100,667</u>	<u>-</u>
Fund balances - Ending	<u>\$ 9,476,972</u>	<u>\$ 6,630,229</u>	<u>\$ 7,686,970</u>	<u>\$ 1,056,741</u>

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	EDIT Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Revenues:				
Taxes - County economic development income tax	\$ 9,594,602	\$ 9,594,602	\$ 9,594,602	\$ -
Other	564,660	602,494	600,514	(1,980)
Total revenues	10,159,262	10,197,096	10,195,116	(1,980)
Expenditures:				
General Government:				
Personnel services	-	-	-	-
Supplies	-	2,250	1,801	449
Other services and charges	3,768,902	3,966,649	3,092,256	874,393
Capital outlay	197,500	267,500	-	267,500
Total expenditures	3,966,402	4,236,399	3,094,056	1,142,343
Other financing uses - Transfers out	(6,483,782)	(6,323,782)	(6,323,782)	-
Net change in fund balances	(290,922)	(363,085)	777,278	1,140,363
Fund balances - Beginning	9,886,898	9,886,898	9,886,898	-
Fund balances - Ending	\$ 9,595,976	\$ 9,523,813	\$ 10,664,176	\$ 1,140,363

City of South Bend, Indiana

Required Supplemental Information Budgetary Comparison Schedules General Fund and Major Special Revenue Funds (Continued) Year Ended December 31, 2016

	Rainy Day Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 40,000	\$ 1,475,850	\$ 1,492,266	\$ 16,416
Fund balances - Beginning	<u>8,703,422</u>	<u>8,703,422</u>	<u>8,703,422</u>	-
Fund balances - Ending	<u>\$ 8,743,422</u>	<u>\$ 10,179,272</u>	<u>\$ 10,195,688</u>	<u>\$ 16,416</u>

City of South Bend, Indiana

Required Supplemental Information Budget/GAAP Reconciliation General Fund and Major Special Revenue Funds Year Ended December 31, 2016

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:

	General	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day
Net change in fund balances (budgetary basis)	\$ 2,612,215	\$ 494,541	\$ 298,513	\$ (4,413,697)	\$ 777,278	\$ 1,492,266
Adjustments:						
To adjust revenues for accruals	10,634,279	10,639	44	(114,917)	444	449
To adjust expenditures for accruals	(11,295,964)	(56,750)	(25,367)	241,785	(310,518)	-
To adjust expenditures for encumbrances	1,380,036	76,858	-	1,241,186	503,462	-
Net change in fund balances (GAAP basis)	<u>\$ 3,330,566</u>	<u>\$ 525,288</u>	<u>\$ 273,190</u>	<u>\$ (3,045,643)</u>	<u>\$ 970,666</u>	<u>\$ 1,492,715</u>

City of South Bend, Indiana

Notes to Required Supplemental Information

Note I - 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.
- 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), rainy day
- Capital projects fund - River West TIF

City of South Bend, Indiana

Notes to Required Supplemental Information (Continued)

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, unsafe building, law enforcement continuing education, landlord registration, loss recovery, emergency telephone system, local road and street, excess welfare distribution, LOIT 2016 special 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, 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 non-reverting capital, cumulative capital development, cumulative capital improvement, Morris Performing Arts Center capital, TIF Leighton Plaza, TIF - West Washington, redevelopment general, community revitalization enhancement district, TIF No. 1 - Southside development, TIF No. 3 - Southside development, 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
- 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 \$20,013,977 in 2016 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

City of South Bend, Indiana

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.

Unsafe Building - To account for expenditures related to board ups and other services related to unsafe buildings. Financing will be provided by fines and fees related to the Unsafe Building law.

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

Landlord Registration - To account for costs related to the South Bend Landlord Registration program. Financing is provided by a registration fee paid by landlords.

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.

City of South Bend, Indiana

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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

LOIT 2016 Special Distribution - To account for a special distribution from the State that can only be spent on road projects.

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.

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.

City of South Bend, Indiana

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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.

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.

City of South Bend, Indiana

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

Redevelopment Authority Debt Service - To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of a parking garage facility, bonds issued for central development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued to refinance bonds issued for construction of Century Center improvements, and bonds issued to refinance bonds issued for renovations to the Morris Performing Art Center.

Capital Projects Funds

Professional Sports Development - To account for Professional Sports Development Tax revenues dedicated towards debt service and improvements at Four Winds Field baseball stadium (formerly known as Coveleski Stadium).

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) - Leighton Plaza - To account for expenditures for public improvement projects in the Leighton Plaza tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.

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

City of South Bend, Indiana

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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

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

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

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.

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

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 Streets 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				
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker	Economic	DCI Operating
			Oliver	Development	
			Revitalization Grants	State Grants	
Assets					
Cash and cash equivalents	\$ 1,365,518	\$ 180,363	\$ 190,377	\$ 78,146	\$ 303,359
Investments	4,756,989	628,327	663,207	272,233	1,056,798
Receivables:					
Taxes	-	-	-	-	-
Accounts	45,096	8,909	-	-	6,044
Interest	11,448	1,505	1,588	648	2,542
Intergovernmental	609,803	-	-	-	-
Loans	-	-	-	302,069	-
Due from other funds	-	30,048	-	-	-
Advances to other funds	-	-	400,000	-	-
Property held for resale	-	-	1	-	-
Total assets	\$ 6,788,854	\$ 849,152	\$ 1,255,173	\$ 653,096	\$ 1,368,743
Liabilities					
Accounts payable	\$ 317,141	\$ 11,049	\$ 37,304	\$ -	\$ 4,059
Due to other funds	601	-	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	72,656	6,879	-	-	31,051
Other current payables	-	-	-	-	-
Total liabilities	390,398	17,928	37,304	-	35,110
Fund Balances					
Nonspendable	-	-	400,001	238,409	-
Restricted	6,398,456	831,224	817,868	414,687	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,333,633
Unassigned	-	-	-	-	-
Total fund balances	6,398,456	831,224	1,217,869	653,096	1,333,633
Total liabilities and fund balances	\$ 6,788,854	\$ 849,152	\$ 1,255,173	\$ 653,096	\$ 1,368,743

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

Special Revenue Funds							
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Unsafe Building	Law Enforcement Continuing Education	Landlord Registration	Loss Recovery Fund	Emergency Telephone System
\$ 241,313	\$ 48,448	\$ 2,797	\$ 371,735	\$ 186,486	\$ 1,225	\$ 216,088	\$ 33,671
-	168,776	9,744	-	649,651	-	752,774	-
-	-	-	-	-	-	-	-
-	10,113	-	10,286	26,651	1,605	-	-
-	404	23	-	1,556	-	1,804	-
-	-	-	-	-	-	-	-
230,341	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,155,452	-	-	-	-	-	-	-
\$ 3,627,106	\$ 227,741	\$ 12,564	\$ 382,021	\$ 864,344	\$ 2,830	\$ 970,666	\$ 33,671
\$ 445,804	\$ -	\$ -	\$ 14,139	\$ 60,221	\$ -	\$ 1,867	\$ -
28,680	-	-	27,965	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,500	-	-	-	-
-	-	-	4,856	-	-	-	-
3,659	-	-	-	-	-	-	-
478,143	-	-	49,460	60,221	-	1,867	-
3,335,118	-	-	-	-	-	-	-
-	227,741	-	-	804,123	-	-	33,671
-	-	12,564	332,561	-	2,830	968,799	-
-	-	-	-	-	-	-	-
(186,155)	-	-	-	-	-	-	-
3,148,963	227,741	12,564	332,561	804,123	2,830	968,799	33,671
\$ 3,627,106	\$ 227,741	\$ 12,564	\$ 382,021	\$ 864,344	\$ 2,830	\$ 970,666	\$ 33,671

City of South Bend, Indiana

	Special Revenue Funds				
	Local Road and Street	Excess Welfare Distribution	LOIT 2016	Human Rights Federal	East Race Waterway
			Special Distribution		
Assets					
Cash and cash equivalents	\$ 630,081	\$ 8	\$ 4,025,066	\$ 98,716	\$ 300
Investments	2,194,983	-	-	380,643	1,045
Receivables:					
Taxes	-	-	-	-	-
Accounts	274	-	-	-	-
Interest	5,265	-	-	745	3
Intergovernmental	104,668	-	-	91,200	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 2,935,271	\$ 8	\$ 4,025,066	\$ 571,304	\$ 1,348
Liabilities					
Accounts payable	\$ 209,999	\$ -	\$ 22,722	\$ 7,184	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	4,339	-
Other current payables	-	-	-	-	-
Total liabilities	209,999	-	22,722	11,523	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	2,725,272	8	4,002,344	559,781	-
Committed	-	-	-	-	1,348
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,725,272	8	4,002,344	559,781	1,348
Total liabilities and fund balances	\$ 2,935,271	\$ 8	\$ 4,025,066	\$ 571,304	\$ 1,348

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016**

Special Revenue Funds							
Morris and Palais Marketing	Police Block Grants	Economic Development Commission	Hazmat	Indiana River Rescue	COPS Block Grant II	Regional Police Academy	COPS MORE Grant
\$ 10,484 36,521	\$ 865 3,014	\$ 6,148 21,416	\$ 5,961 20,766	\$ 31,620 110,152	\$ 76,628 -	\$ 16,937 59,004	\$ 52,860 184,147
-	-	-	-	-	-	-	-
87	7	51	50	265	-	141	200
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>47,092</u>	<u>3,886</u>	<u>27,615</u>	<u>26,777</u>	<u>142,037</u>	<u>76,628</u>	<u>76,082</u>	<u>237,646</u>
\$ 2,798	\$ -	\$ -	\$ -	\$ 1,212	\$ 2,796	\$ 162	\$ 13,276
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	66	-	-	-
-	-	-	-	-	-	-	-
<u>2,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,278</u>	<u>2,796</u>	<u>162</u>	<u>13,276</u>
-	-	-	-	-	-	-	-
-	3,886	-	-	-	73,832	-	224,370
44,294	-	27,615	26,777	-	-	75,920	-
-	-	-	-	140,759	-	-	-
-	-	-	-	-	-	-	-
<u>44,294</u>	<u>3,886</u>	<u>27,615</u>	<u>26,777</u>	<u>140,759</u>	<u>73,832</u>	<u>75,920</u>	<u>224,370</u>
<u>\$ 47,092</u>	<u>\$ 3,886</u>	<u>\$ 27,615</u>	<u>\$ 26,777</u>	<u>\$ 142,037</u>	<u>\$ 76,628</u>	<u>\$ 76,082</u>	<u>\$ 237,646</u>

City of South Bend, Indiana

	Special Revenue Funds				
	Federal Drug Enforcement	Gift	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit
Assets					
Cash and cash equivalents	\$ 226,058	\$ 25,999	\$ 131,910	\$ 194,389	\$ 636
Investments	-	90,570	459,527	677,184	2,217
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	25,035	-	37,220	-
Interest	149	216	1,101	1,621	5
Intergovernmental	-	-	-	-	-
Loans	-	-	543,909	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 226,207	\$ 141,820	\$ 1,136,447	\$ 910,414	\$ 2,858
Liabilities					
Accounts payable	\$ -	\$ 72,900	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	1,351,598	-	-
Performance deposits payable	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	-	72,900	1,351,598	-	-
Fund Balances					
Nonspendable	-	-	416,655	-	-
Restricted	226,207	68,920	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	910,414	2,858
Unassigned	-	-	(631,806)	-	-
Total fund balances	226,207	68,920	(215,151)	910,414	2,858
Total liabilities and fund balances	\$ 226,207	\$ 141,820	\$ 1,136,447	\$ 910,414	\$ 2,858

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016**

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	South Bend Building Corporation Debt Service
\$ -	\$ 2,405,340	\$ 11,159,532	\$ 80,272	\$ 231,260	\$ 114,096	\$ 386,398	\$ 567,788
-	233,866	13,433,554	212,042	805,629	397,471	1,346,075	-
-	-	-	-	-	-	-	-
-	-	171,433	-	-	-	-	-
-	-	31,663	480	1,930	952	3,225	-
-	-	805,671	-	-	-	-	-
-	4,059,177	5,135,496	-	-	-	-	-
-	-	30,048	-	-	-	-	-
-	-	400,000	-	-	-	-	-
-	97,800	3,253,253	-	-	-	-	-
\$ -	\$ 6,796,183	\$ 34,420,650	\$ 292,794	\$ 1,038,819	\$ 512,519	\$ 1,735,698	\$ 567,788
\$ -	\$ -	\$ 1,224,633	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	57,246	-	-	-	-	-
-	-	1,351,598	-	-	-	-	-
-	-	2,500	-	-	-	-	-
-	-	119,847	-	-	-	-	-
-	-	3,659	-	-	-	-	-
-	-	2,759,483	-	-	-	-	-
-	3,263,958	7,654,141	-	-	-	-	-
-	3,532,225	20,944,615	292,794	1,038,819	512,519	1,735,698	567,788
-	-	1,492,708	-	-	-	-	-
-	-	2,387,664	-	-	-	-	-
-	-	(817,961)	-	-	-	-	-
-	6,796,183	31,661,167	292,794	1,038,819	512,519	1,735,698	567,788
\$ -	\$ 6,796,183	\$ 34,420,650	\$ 292,794	\$ 1,038,819	\$ 512,519	\$ 1,735,698	\$ 567,788

City of South Bend, Indiana

	Debt Service Funds				
	TIF Erskine Village Debt Service	Smart Streets Debt Service	Parks Bond Debt Service Fund	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service
Assets					
Cash and cash equivalents	\$ 561,117	\$ 2,108,440	\$ 561,943	\$ 51,659	\$ 1,232,769
Investments	-	-	-	5,493	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	179	-	12	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 561,117	\$ 2,108,619	\$ 561,943	\$ 57,164	\$ 1,232,769
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 111	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	-	-	-	111	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	561,117	2,108,619	561,943	57,053	1,232,769
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	561,117	2,108,619	561,943	57,053	1,232,769
Total liabilities and fund balances	\$ 561,117	\$ 2,108,619	\$ 561,943	\$ 57,164	\$ 1,232,769

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016**

Debt Service Funds	Capital Projects Funds						
Total	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment	Park Nonreverting Capital	Cumulative Capital Development	Cumulative Capital Improvement	Morris Performing Arts Center Capital
\$ 5,895,742	\$ 88,450	\$ 20,157	\$ 11,109	\$ 69,177	\$ 129,202	\$ 84,213	\$ 131,321
2,766,710	308,130	70,219	38,701	240,987	450,094	293,368	457,476
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,778	735	168	93	573	1,064	700	1,095
-	62,404	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 8,669,230	\$ 459,719	\$ 90,544	\$ 49,903	\$ 310,737	\$ 580,360	\$ 378,281	\$ 589,892
\$ 111	-	-	-	\$ 18,674	-	-	\$ 408
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
111	-	-	-	18,674	-	-	408
-	-	-	-	-	-	-	-
8,669,119	459,719	-	-	292,063	580,360	378,281	-
-	-	90,544	49,903	-	-	-	589,484
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,669,119	459,719	90,544	49,903	292,063	580,360	378,281	589,484
\$ 8,669,230	\$ 459,719	\$ 90,544	\$ 49,903	\$ 310,737	\$ 580,360	\$ 378,281	\$ 589,892

City of South Bend, Indiana

	Capital Projects Funds				
	TIF Leighton Plaza	TIF - West Washington	Redevelopment General	Community Revitalization Enhancement District	TIF No. 1 - Southside Development
Assets					
Cash and cash equivalents	\$ 62,681	\$ 436,612	\$ 1,882	\$ -	\$ 1,029,021
Investments	129,038	1,521,003	6,556	-	3,584,751
Receivables:					
Taxes	-	36,860	-	-	-
Accounts	2,192	-	-	-	-
Interest	309	3,633	16	-	8,522
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	436,690	-	-	-
Total assets	\$ 194,220	\$ 2,434,798	\$ 8,454	\$ -	\$ 4,622,294
Liabilities					
Accounts payable	\$ 6,112	\$ -	\$ -	\$ -	\$ 296,774
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	4,996	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	11,108	-	-	-	296,774
Fund Balances					
Nonspendable	-	436,690	-	-	-
Restricted	183,112	1,998,108	-	-	4,325,520
Committed	-	-	-	-	-
Assigned	-	-	8,454	-	-
Unassigned	-	-	-	-	-
Total fund balances	183,112	2,434,798	8,454	-	4,325,520
Total liabilities and fund balances	\$ 194,220	\$ 2,434,798	\$ 8,454	\$ -	\$ 4,622,294

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016**

Capital Projects Funds							
TIF No. 3 - Southside Development	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
\$ 1,081,649 3,768,085	\$ 110,305 384,265	\$ 526,344 1,833,596	\$ 1,753,442 6,108,380	\$ 34,895 121,563	\$ 533,526 1,858,619	\$ 478,772 1,667,875	\$ 20,686 72,061
-	-	-	108,630	-	-	-	-
9,028	921	4,392	14,573	284	4,207	3,995	173
-	-	-	-	-	-	-	-
-	-	4,068,117	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 4,858,762	\$ 495,491	\$ 6,432,449	\$ 7,985,025	\$ 156,742	\$ 2,396,352	\$ 2,150,642	\$ 92,920
\$ -	\$ -	\$ 543	\$ 86,837	\$ -	\$ -	\$ -	\$ -
-	761	-	-	-	-	-	-
-	494,730	-	-	323,005	3,713,921	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	495,491	543	86,837	323,005	3,713,921	-	-
-	-	4,068,117	-	-	-	-	-
4,858,762	-	2,363,789	7,898,188	-	-	2,150,642	-
-	-	-	-	-	-	-	92,920
-	-	-	-	-	-	-	-
-	-	-	-	(166,263)	(1,317,569)	-	-
4,858,762	-	6,431,906	7,898,188	(166,263)	(1,317,569)	2,150,642	92,920
\$ 4,858,762	\$ 495,491	\$ 6,432,449	\$ 7,985,025	\$ 156,742	\$ 2,396,352	\$ 2,150,642	\$ 92,920

City of South Bend, Indiana

	Capital Projects Funds				
	Airport Urban Enterprise Zone	Equipment Leasing	Century Center Energy Conservation Bond	Smart Streets Bond Capital Projects Fund	Parks Bond Capital Projects Fund
Assets					
Cash and cash equivalents	\$ 85,293	\$ 2,109,805	\$ -	\$ 5,929,453	\$ 4,337,199
Investments	297,130	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	712	-	-	604	-
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 383,135	\$ 2,109,805	\$ -	\$ 5,930,057	\$ 4,337,199
Liabilities					
Accounts payable	\$ -	\$ 168,611	\$ -	\$ 1,686,422	\$ 274,171
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Performance deposits payable	-	-	-	-	-
Accrued liabilities and other -					
Accrued payroll payable	-	-	-	-	-
Other current payables	-	-	-	-	-
Total liabilities	-	168,611	-	1,686,422	274,171
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	1,941,194	-	4,243,635	4,063,028
Committed	383,135	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	383,135	1,941,194	-	4,243,635	4,063,028
Total liabilities and fund balances	\$ 383,135	\$ 2,109,805	\$ -	\$ 5,930,057	\$ 4,337,199

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2016**

<u>Capital Projects Funds</u>			
<u>Total</u>		Total Nonmajor Governmental Funds	
\$ 19,065,194	\$	36,120,468	
23,211,897		39,412,161	
145,490		145,490	
2,192		173,625	
55,797		94,238	
62,404		868,075	
-		5,135,496	
-		30,048	
4,068,117		4,468,117	
436,690		3,689,943	
<u>\$ 47,047,781</u>	<u>\$</u>	<u>90,137,661</u>	
\$ 2,538,552	\$	3,763,296	
761		58,007	
4,531,656		5,883,254	
4,996		7,496	
-		119,847	
-		3,659	
<u>7,075,965</u>		<u>9,835,559</u>	
4,504,807		12,158,948	
35,736,401		65,350,135	
1,205,986		2,698,694	
8,454		2,396,118	
(1,483,832)		(2,301,793)	
<u>39,971,816</u>		<u>80,302,102</u>	
<u>\$ 47,047,781</u>	<u>\$</u>	<u>90,137,661</u>	

City of South Bend, Indiana

	Special Revenue Funds				
	Motor Vehicle Highway	Recreation Nonreverting	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	5,428,206	-	172,817	167,546	497,592
Charges for services	255,318	968,579	-	-	279,536
Fines and forfeitures	-	-	-	-	-
Investment income	55,308	8,119	10,096	14,105	12,307
Rental income	-	-	-	-	-
Other revenue	20,553	2,045	-	3,378	2,769
Total revenue	5,759,385	978,743	182,913	185,029	792,204
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	8,321,148	-	-	-	-
Community and economic development	-	-	549,090	170,744	2,389,051
Culture and recreation	-	957,938	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	484,535	-	-	61,786	-
Interest on long-term debt	24,017	-	-	10,225	-
Total expenditures	8,829,700	957,938	549,090	242,755	2,389,051
Excess of Revenue Over (Under) Expenditures	(3,070,315)	20,805	(366,177)	(57,726)	(1,596,847)
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	19,090	-	-	-	-
Transfers in	3,703,000	-	-	-	1,808,139
Transfers out	-	-	-	-	-
Total other financing sources (uses)	3,722,090	-	-	-	1,808,139
Net Change in Fund Balances	651,775	20,805	(366,177)	(57,726)	211,292
Fund Balances - Beginning of year	5,746,681	810,419	1,584,046	710,822	1,122,341
Fund Balances - End of year	\$ 6,398,456	\$ 831,224	\$ 1,217,869	\$ 653,096	\$ 1,333,633

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2016

Special Revenue Funds						
Community Investment Grants	Police State Seizure	Juvenile Positive Assistance	Unsafe Building	Law Enforcement Continuing Education	Landlord Registration	Loss Recovery Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,117,168	-	-	-	-	-	-
-	-	-	94,978	154,776	2,830	-
-	-	213	300,100	91,092	-	-
1,424	1,992	113	-	8,007	-	8,983
7,387	-	-	-	-	-	-
310	27,024	-	1	18,924	-	-
<u>3,126,289</u>	<u>29,016</u>	<u>326</u>	<u>395,079</u>	<u>272,799</u>	<u>2,830</u>	<u>8,983</u>
-	-	-	-	-	-	23,827
-	16,110	-	817,698	382,372	-	6,467
-	-	-	-	-	-	-
3,601,871	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,601,871</u>	<u>16,110</u>	<u>-</u>	<u>817,698</u>	<u>382,372</u>	<u>-</u>	<u>30,294</u>
(475,582)	12,906	326	(422,619)	(109,573)	2,830	(21,311)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	755,180	-	-	-
(500)	-	-	-	-	-	-
<u>(500)</u>	<u>-</u>	<u>-</u>	<u>755,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
(476,082)	12,906	326	332,561	(109,573)	2,830	(21,311)
3,625,045	214,835	12,238	-	913,696	-	990,110
<u>\$ 3,148,963</u>	<u>\$ 227,741</u>	<u>\$ 12,564</u>	<u>\$ 332,561</u>	<u>\$ 804,123</u>	<u>\$ 2,830</u>	<u>\$ 968,799</u>

City of South Bend, Indiana

	Special Revenue Funds				
	Emergency Telephone System	Local Road and Street	Excess Welfare Distribution	LOIT 2016 Special Distribution	Human Rights Federal
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	4,217,549	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	1,228,257	-	-	164,550
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	27,450	-	-	4,091
Rental income	-	-	-	-	-
Other revenue	-	164,473	-	130,394	91,933
Total revenue	-	1,420,180	-	4,347,943	260,574
Expenditures					
Current:					
General government	-	-	-	-	194,837
Public safety	-	-	-	-	-
Highways and streets	-	1,638,114	-	345,599	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	-	1,638,114	-	345,599	194,837
Excess of Revenue Over (Under) Expenditures	-	(217,934)	-	4,002,344	65,737
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	-	(217,934)	-	4,002,344	65,737
Fund Balances - Beginning of year	33,671	2,943,206	8	-	494,044
Fund Balances - End of year	\$ 33,671	\$ 2,725,272	\$ 8	\$ 4,002,344	\$ 559,781

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2016

Special Revenue Funds						
East Race Waterway	Morris and Palais Marketing	Police Block Grants	Economic Development Commission	Hazmat	Indiana River Rescue	COPS Block Grant II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,410	110,700	-
-	-	-	-	-	-	-
13	326	36	252	264	1,232	-
-	-	-	-	-	-	-
-	20,424	-	-	-	-	-
13	20,750	36	252	3,674	111,932	-
-	-	-	-	-	-	-
-	-	-	-	8,961	64,777	40,651
-	-	-	-	-	-	-
-	7,010	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,010	-	-	8,961	64,777	40,651
13	13,740	36	252	(5,287)	47,155	(40,651)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13	13,740	36	252	(5,287)	47,155	(40,651)
1,335	30,554	3,850	27,363	32,064	93,604	114,483
\$ 1,348	\$ 44,294	\$ 3,886	\$ 27,615	\$ 26,777	\$ 140,759	\$ 73,832

City of South Bend, Indiana

	Special Revenue Funds				
	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Gift	Urban Development Action Grant
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	167,187	-	-	-
Charges for services	19,700	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	745	1,182	1,453	710	4,759
Rental income	-	-	-	-	-
Other revenue	-	133,481	10,786	173,232	-
Total revenue	20,445	301,850	12,239	173,942	4,759
Expenditures					
Current:					
General government	-	-	-	169,900	-
Public safety	16,448	206,227	53,414	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total expenditures	16,448	206,227	53,414	169,900	-
Excess of Revenue Over (Under) Expenditures	3,997	95,623	(41,175)	4,042	4,759
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	14,536	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	14,536	-	-
Net Change in Fund Balances	3,997	95,623	(26,639)	4,042	4,759
Fund Balances - Beginning of year	71,923	128,747	252,846	64,878	(219,910)
Fund Balances - End of year	\$ 75,920	\$ 224,370	\$ 226,207	\$ 68,920	\$ (215,151)

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2016

Special Revenue Funds					Debt Service Funds		
Leaf Collection and Removal	Police K-9 Unit	Excess Levy	Industrial Revolving Fund	Total	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,361,512	\$ -	
-	-	-	-	4,217,549	-	-	
-	-	-	-	-	-	-	
-	-	-	-	10,943,323	70,548	-	
440,649	-	-	27,360	2,357,836	-	-	
-	-	-	-	391,405	-	-	
7,843	33	8	160,912	331,763	65	9,507	
-	-	-	-	7,387	-	-	
-	-	-	4,614	804,341	-	-	
448,492	33	8	192,886	19,053,604	1,432,125	9,507	
74,976	-	-	-	463,540	-	-	
-	1,044	-	-	1,614,169	-	-	
-	-	-	-	10,304,861	-	-	
-	-	-	417,865	7,128,621	-	-	
-	-	-	-	964,948	-	-	
-	-	-	-	-	-	-	
69,615	-	-	-	615,936	1,180,000	-	
2,603	-	-	-	36,845	88,029	-	
147,194	1,044	-	417,865	21,128,920	1,268,029	-	
301,298	(1,011)	8	(224,979)	(2,075,316)	164,096	9,507	
-	-	-	-	-	-	-	
-	-	-	-	33,626	-	-	
-	-	-	-	6,266,319	112,116	-	
(350,000)	-	(3,673)	-	(354,173)	-	(8,311)	
(350,000)	-	(3,673)	-	5,945,772	112,116	(8,311)	
(48,702)	(1,011)	(3,665)	(224,979)	3,870,456	276,212	1,196	
959,116	3,869	3,665	7,021,162	27,790,711	16,582	1,037,623	
\$ 910,414	\$ 2,858	\$ -	\$ 6,796,183	\$ 31,661,167	\$ 292,794	\$ 1,038,819	

City of South Bend, Indiana

	Debt Service Funds				
	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale	South Bend Building Corporation Debt Service	TIF Erskine Village Debt Service	Smart Streets Debt Service
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	4,666	15,882	279	2	2,352
Rental income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	4,666	15,882	279	2	2,352
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	1,691,120	235,000	-
Interest on long-term debt	-	-	468,372	254,503	790,759
Total expenditures	-	-	2,159,492	489,503	790,759
Excess of Revenue Over (Under) Expenditures	4,666	15,882	(2,159,213)	(489,501)	(788,407)
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	2,165,291	489,503	1,190
Transfers out	-	(13,886)	-	-	-
Total other financing sources (uses)	-	(13,886)	2,165,291	489,503	1,190
Net Change in Fund Balances	4,666	1,996	6,078	2	(787,217)
Fund Balances - Beginning of year	507,853	1,733,702	561,710	561,115	2,895,836
Fund Balances - End of year	\$ 512,519	\$ 1,735,698	\$ 567,788	\$ 561,117	\$ 2,108,619

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2016

Debt Service Funds				Capital Projects Funds		
Parks Bond Debt Service Fund	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	Total	Professional Sports Development	Coveleski Stadium Capital	Zoo Endowment
\$ -	\$ -	\$ -	\$ 1,361,512	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	673,787	-	-
-	-	-	70,548	-	-	-
-	-	-	-	-	-	-
574	163,588	1,625	198,540	2,592	670	454
-	-	-	-	-	-	-
-	-	-	-	44,980	40,789	-
574	163,588	1,625	1,630,600	721,359	41,459	454
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	111	-	111	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	11,474	-
200,000	22,585	3,120,000	6,448,705	730,000	-	-
180,105	213,547	1,275,768	3,271,083	108,050	-	-
380,105	236,243	4,395,768	9,719,899	838,050	11,474	-
(379,531)	(72,655)	(4,394,143)	(8,089,299)	(116,691)	29,985	454
-	-	-	-	-	-	-
-	-	-	-	-	-	-
385,787	79,676	4,409,500	7,643,063	-	-	-
-	-	-	(22,197)	-	-	-
385,787	79,676	4,409,500	7,620,866	-	-	-
6,256	7,021	15,357	(468,433)	(116,691)	29,985	454
555,687	50,032	1,217,412	9,137,552	576,410	60,559	49,449
\$ 561,943	\$ 57,053	\$ 1,232,769	\$ 8,669,119	\$ 459,719	\$ 90,544	\$ 49,903

City of South Bend, Indiana

	Capital Projects Funds				
	Park Nonreverting Capital	Cumulative Capital Development	Cumulative Capital Improvement	Morris Performing Arts Center Capital	TIF Leighton Plaza
Revenue					
Property taxes	\$ -	\$ 440,887	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	37,227	407,727	-	-
Charges for services	5,167	-	-	101,781	21,336
Fines and forfeitures	-	-	-	-	-
Investment income	3,347	3,950	2,554	4,880	1,517
Rental income	-	-	25,000	-	105,312
Other revenue	-	-	-	-	6,503
Total revenue	8,514	482,064	435,281	106,661	134,668
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	186,202	-	-	23,992	158,134
Debt service:					
Principal	-	512,847	-	-	-
Interest on long-term debt	-	13,890	-	-	-
Total expenditures	186,202	526,737	-	23,992	158,134
Excess of Revenue Over (Under) Expenditures	(177,688)	(44,673)	435,281	82,669	(23,466)
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	53,040	-	-	-
Transfers out	-	-	(368,250)	-	-
Total other financing sources (uses)	-	53,040	(368,250)	-	-
Net Change in Fund Balances	(177,688)	8,367	67,031	82,669	(23,466)
Fund Balances - Beginning of year	469,751	571,993	311,250	506,815	206,578
Fund Balances - End of year	\$ 292,063	\$ 580,360	\$ 378,281	\$ 589,484	\$ 183,112

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2016

Capital Projects Funds						
TIF - West Washington	Redevelopment General	Community Revitalization Enhancement District	TIF No. 1 - Southside Development	TIF No. 3 - Southside Development	Football Hall of Fame Capital	Major Moves
\$ 406,002	\$ -	\$ -	\$ 2,227,804	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,904	80	590	50,178	45,511	4,623	21,618
-	-	-	-	-	-	-
-	-	-	-	-	-	121,009
420,906	80	590	2,277,982	45,511	4,623	142,627
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	50,267	-
10,717	329	-	4,068,202	-	-	809,666
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,717	329	-	4,068,202	-	50,267	809,666
410,189	(249)	590	(1,790,220)	45,511	(45,644)	(667,039)
-	-	-	-	-	-	-
-	-	-	-	-	48,709	-
-	-	(3,039)	-	(489,505)	(3,065)	-
-	-	(3,039)	-	(489,505)	45,644	-
410,189	(249)	(2,449)	(1,790,220)	(443,994)	-	(667,039)
2,024,609	8,703	2,449	6,115,740	5,302,756	-	7,098,945
\$ 2,434,798	\$ 8,454	\$ -	\$ 4,325,520	\$ 4,858,762	\$ -	\$ 6,431,906

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
Revenue					
Property taxes	\$ 2,271,917	\$ 304,526	\$ 3,932,947	\$ -	\$ -
Income taxes	-	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	1,400	-	210,999	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	69,674	1,096	1,666	20,088	748
Rental income	-	-	-	-	-
Other revenue	68,401	-	-	-	15,754
Total revenue	2,411,392	305,622	4,145,612	20,088	16,502
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	2,174,610	-	1,100	142,913	-
Debt service:					
Principal	-	-	-	-	-
Interest on long-term debt	-	28,774	171,906	-	-
Total expenditures	2,174,610	28,774	173,006	142,913	-
Excess of Revenue Over (Under) Expenditures	236,782	276,848	3,972,606	(122,825)	16,502
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(2,474,000)	-	-
Total other financing sources (uses)	-	-	(2,474,000)	-	-
Net Change in Fund Balances	236,782	276,848	1,498,606	(122,825)	16,502
Fund Balances - Beginning of year	7,661,406	(443,111)	(2,816,175)	2,273,467	76,418
Fund Balances - End of year	\$ 7,898,188	\$ (166,263)	\$ (1,317,569)	\$ 2,150,642	\$ 92,920

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2016

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,584,083	\$ 10,945,595	
-	-	-	-	-	-	4,217,549	
-	-	-	-	-	673,787	673,787	
-	-	-	-	-	444,954	11,458,825	
-	-	-	-	-	340,683	2,698,519	
-	-	-	-	-	-	391,405	
3,488	3,492	-	15,016	4,485	277,221	807,524	
-	-	-	-	-	130,312	137,699	
-	3,800	-	-	-	301,236	1,105,577	
3,488	7,292	-	15,016	4,485	11,752,276	32,436,480	
-	-	-	-	-	-	463,540	
-	-	-	-	-	-	1,614,169	
-	-	-	-	-	-	10,304,861	
-	-	-	-	-	-	7,128,732	
-	-	-	-	-	50,267	1,015,215	
-	3,439,812	343,478	14,793,978	891,688	27,056,295	27,056,295	
-	-	-	-	-	1,242,847	8,307,488	
-	-	-	-	-	322,620	3,630,548	
-	3,439,812	343,478	14,793,978	891,688	28,672,029	59,520,848	
3,488	(3,432,520)	(343,478)	(14,778,962)	(887,203)	(16,919,753)	(27,084,368)	
-	4,950,881	-	-	-	4,950,881	4,950,881	
-	-	-	-	-	48,709	82,335	
-	-	-	-	-	53,040	13,962,422	
-	-	-	(1,190)	-	(3,339,049)	(3,715,419)	
-	4,950,881	-	(1,190)	-	1,713,581	15,280,219	
3,488	1,518,361	(343,478)	(14,780,152)	(887,203)	(15,206,172)	(11,804,149)	
379,647	422,833	343,478	19,023,787	4,950,231	55,177,988	92,106,251	
\$ 383,135	\$ 1,941,194	\$ -	\$ 4,243,635	\$ 4,063,028	\$ 39,971,816	\$ 80,302,102	

City of South Bend, Indiana

Schedules of Revenue, Expenditures, and Changes in Fund Balances Budget and Actual - Major Governmental Funds Capital Projects Funds - River West TIF Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 16,723,300	\$ 18,159,311	\$ 18,159,311	\$ -
Other	2,151,014	2,022,911	1,790,675	(232,236)
Total revenues	18,874,314	20,182,222	19,949,986	(232,236)
Expenditures:				
Current:				
Economic Development:				
Other services and charges	6,112,101	13,180,948	9,703,874	3,477,074
Capital outlay	13,587,899	31,321,129	18,105,471	13,215,658
Total expenditures	19,700,000	44,502,077	27,809,345	16,692,732
Other financing sources - Transfers in	11,000	43,000	22,199	(20,801)
Net change in fund balances	(814,686)	(24,276,855)	(7,837,160)	16,439,695
Fund balances - Beginning	32,771,001	32,771,001	32,771,001	-
Fund balances - Ending	\$ 31,956,315	\$ 8,494,146	\$ 24,933,841	\$ 16,439,695
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (7,837,160)	
To adjust revenues for accruals			(818,017)	
To adjust expenditures for accruals			208,144	
To adjust expenditures for encumbrances			7,618,884	
Net change in fund balance, GAAP basis			\$ (828,149)	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,100,000	\$ 5,690,562	\$ 5,647,108	\$ (43,454)
Charges for services	281,433	281,433	216,632	(64,801)
Other	97,450	166,007	96,839	(69,168)
Total revenues	<u>5,478,883</u>	<u>6,138,002</u>	<u>5,960,579</u>	<u>(177,423)</u>
Expenditures:				
Current:				
Highways and streets:				
Personnel services	4,411,058	4,411,058	3,859,792	551,266
Supplies	2,258,181	2,628,660	2,043,415	585,245
Other services and charges	3,624,651	3,848,233	3,549,933	298,300
Capital outlay	50,000	89,458	39,458	50,000
Total expenditures	<u>10,343,890</u>	<u>10,977,409</u>	<u>9,492,598</u>	<u>1,484,811</u>
Other financing sources - Transfers in	<u>4,550,000</u>	<u>3,703,000</u>	<u>3,703,000</u>	<u>-</u>
Net change in fund balances	(315,007)	(1,136,407)	170,981	1,307,388
Fund balances - Beginning	<u>5,225,686</u>	<u>5,225,686</u>	<u>5,225,686</u>	<u>-</u>
Fund balances - Ending	<u>\$ 4,910,679</u>	<u>\$ 4,089,279</u>	<u>\$ 5,396,667</u>	<u>\$ 1,307,388</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 170,981	
To adjust revenues for accruals			(182,105)	
To adjust expenditures for accruals			(158,499)	
To adjust expenditures for encumbrances			<u>821,398</u>	
Net change in fund balance, GAAP basis			<u>\$ 651,775</u>	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,432,565	\$ 1,432,565	\$ 935,249	\$ (497,316)
Other	16,000	16,000	8,153	(7,847)
Total revenues	<u>1,448,565</u>	<u>1,448,565</u>	<u>943,402</u>	<u>(505,163)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	655,619	565,619	383,854	181,765
Supplies	305,332	284,568	169,345	115,223
Other services and charges	487,253	567,267	373,577	193,690
Capital outlay	-	42,300	41,299	1,001
Total expenditures	<u>1,448,204</u>	<u>1,459,754</u>	<u>968,075</u>	<u>491,679</u>
Other financing sources (uses) - Transfers out	-	-	-	-
Net change in fund balances	361	(11,189)	(24,673)	(13,484)
Fund balances - Beginning	<u>823,964</u>	<u>823,964</u>	<u>823,964</u>	-
Fund balances - Ending	<u>\$ 824,325</u>	<u>\$ 812,775</u>	<u>\$ 799,291</u>	<u>\$ (13,484)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (24,673)	
To adjust revenues for accruals			35,341	
To adjust expenditures for accruals			(2,943)	
To adjust expenditures for encumbrances			<u>13,080</u>	
Net change in fund balance, GAAP basis			<u>\$ 20,805</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 104,000	\$ 593,500	\$ 282,902	\$ (310,598)
Expenditures:				
Current:				
Economic Development				
Other Services and Charges	1,200,000	1,683,250	974,411	708,839
Capital Outlay	-	-	-	-
Total expenditures	<u>1,200,000</u>	<u>1,683,250</u>	<u>974,411</u>	<u>708,839</u>
Net change in fund balances	(1,096,000)	(1,089,750)	(691,509)	398,241
Fund balances - Beginning	<u>1,108,642</u>	<u>1,108,642</u>	<u>1,108,642</u>	-
Fund balances - Ending	<u>\$ 12,642</u>	<u>\$ 18,892</u>	<u>\$ 417,133</u>	<u>\$ 398,241</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (691,509)	
To adjust revenues for accruals			(99,989)	
To adjust expenditures for accruals			(14,072)	
To adjust expenditures for encumbrances			<u>439,393</u>	
Net change in fund balance, GAAP basis			<u>\$ (366,177)</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 State Grants Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 73,511	\$ 2,719,053	\$ 1,895,885	\$ (823,168)
Expenditures:				
Current:				
Economic Development				
Other services and charges	72,011	1,322,519	942,991	379,528
Capital Outlay	-	1,200,000	1,200,000	-
Total expenditures	<u>72,011</u>	<u>2,522,519</u>	<u>2,142,991</u>	<u>379,528</u>
Net change in fund balances	1,500	196,534	(247,106)	(443,640)
Fund balances - Beginning	<u>160,361</u>	<u>160,361</u>	<u>160,361</u>	<u>-</u>
Fund balances - Ending	<u>\$ 161,861</u>	<u>\$ 356,895</u>	<u>\$ (86,745)</u>	<u>\$ (443,640)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (247,106)	
To adjust revenues for accruals			(1,710,857)	
To adjust expenditures for accruals			1,462,492	
To adjust expenditures for encumbrances			<u>437,745</u>	
Net change in fund balance, GAAP basis			<u>\$ (57,726)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 419,287	\$ 499,287	\$ 497,592	\$ (1,695)
Other	261,000	327,500	318,147	(9,353)
Total revenues	<u>680,287</u>	<u>826,787</u>	<u>815,739</u>	<u>(11,048)</u>
Expenditures:				
Current:				
Economic Development:				
Personnel services	2,161,561	2,113,461	1,902,605	210,856
Supplies	24,627	25,318	15,245	10,073
Other services and charges	424,512	511,534	485,059	26,475
Capital Outlay	37,000	37,000	35,157	1,843
Other uses	-	-	-	-
Total expenditures	<u>2,647,700</u>	<u>2,687,313</u>	<u>2,438,066</u>	<u>249,247</u>
Other financing sources - Transfers in	<u>1,967,638</u>	<u>1,808,138</u>	<u>1,808,138</u>	-
Net change in fund balances	225	(52,388)	185,811	238,199
Fund balances - Beginning	<u>1,123,753</u>	<u>1,123,753</u>	<u>1,123,753</u>	-
Fund balances - Ending	<u>\$ 1,123,978</u>	<u>\$ 1,071,365</u>	<u>\$ 1,309,564</u>	<u>\$ 238,199</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 185,811	
To adjust revenues for accruals			(23,535)	
To adjust expenditures for accruals			(5,426)	
To adjust expenditures for encumbrances			<u>54,442</u>	
Net change in fund balance, GAAP basis			<u>\$ 211,292</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,028,252	\$ 6,528,252	\$ 3,117,168	\$ (3,411,084)
Other	771,748	919,148	25,887	(893,261)
Total revenues	<u>3,800,000</u>	<u>7,447,400</u>	<u>3,143,055</u>	<u>(4,304,345)</u>
Expenditures:				
Current:				
Economic development -				
Other services and charges	<u>3,800,000</u>	<u>7,356,963</u>	<u>5,656,026</u>	<u>1,700,937</u>
Total expenditures	<u>3,800,000</u>	<u>7,356,963</u>	<u>5,656,026</u>	<u>1,700,937</u>
Other financing sources (uses) - Transfers out	-	(500)	(500)	-
Net change in fund balances	-	89,937	(2,513,471)	(2,603,408)
Fund balances - Beginning	<u>553,875</u>	<u>553,875</u>	<u>553,875</u>	-
Fund balances - Ending	<u>\$ 553,875</u>	<u>\$ 643,812</u>	<u>\$ (1,959,596)</u>	<u>\$ (2,603,408)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,513,471)	
To adjust revenues for accruals			(16,766)	
To adjust expenditures for accruals			(147,684)	
To adjust expenditures for encumbrances			<u>2,201,839</u>	
Net change in fund balance, GAAP basis			<u>\$ (476,082)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 36,000	\$ 36,636	\$ 33,978	\$ (2,658)
Expenditures:				
Current:				
Public Safety:				
Other services and charges	36,000	36,000	16,110	19,890
Net change in fund balances	-	636	17,868	17,232
Fund balances - Beginning	199,998	199,998	199,998	-
Fund balances - Ending	<u>\$ 199,998</u>	<u>\$ 200,634</u>	<u>\$ 217,866</u>	<u>\$ 17,232</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 17,868	
To adjust revenues for accruals			(4,962)	
Net change in fund balance, GAAP basis			<u>\$ 12,906</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and fees	\$ 900	\$ 900	\$ 213	\$ (687)
Other	100	100	113	13
Total revenues	1,000	1,000	326	(674)
Expenditures:				
Current - Public safety - Other services and charges	1,000	1,000	-	1,000
Net change in fund balances	-	-	326	326
Fund balances - Beginning	12,254	12,254	12,254	-
Fund balances - Ending	<u>\$ 12,254</u>	<u>\$ 12,254</u>	<u>\$ 12,580</u>	<u>\$ 326</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 326	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ 326</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Unsafe Building Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ 247,100	\$ 237,962	\$ (9,138)
Fines and forfeits	-	228,800	146,830	(81,970)
Total revenues	-	475,900	384,792	(91,108)
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	-	260,769	258,263	2,506
Supplies	-	41,149	16,547	24,602
Other services and charges	-	649,579	503,917	145,662
Total expenditures	-	951,497	778,727	172,770
Other financing sources - Transfers In	-	755,240	755,180	(60)
Net change in fund balances	-	279,643	361,245	81,602
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 279,643	\$ 361,245	\$ 81,602
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 361,245	
To adjust revenues for accruals			10,288	
To adjust expenditures for accruals			(46,961)	
To adjust expenditures for encumbrances			7,989	
Net change in fund balance, GAAP basis			\$ 332,561	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	115,000	115,000	139,265	24,265
Fines and fees	85,000	86,225	93,069	6,844
Other	18,000	35,600	41,599	5,999
Total revenues	218,000	236,825	273,933	37,108
Expenditures:				
Current:				
Public safety:				
Supplies	275,500	285,508	231,493	54,015
Other services and charges	458,000	458,000	195,314	262,686
Capital outlay	-	-	-	-
Total expenditures	733,500	743,508	426,807	316,701
Net change in fund balances	(515,500)	(506,683)	(152,874)	353,809
Fund balances - Beginning	912,111	912,111	912,111	-
Fund balances - Ending	\$ 396,611	\$ 405,428	\$ 759,237	\$ 353,809
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (152,874)	
To adjust revenues for accruals			(1,135)	
To adjust expenditures for accruals			(10,486)	
To adjust expenditures for encumbrances			54,922	
Net change in fund balance, GAAP basis			\$ (109,573)	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds – Landlord Registration Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeits	-	500	1,225	725
Total revenues	-	500	1,225	725
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Total expenditures	-	-	-	-
Other financing sources - Transfers In	-	-	-	-
Net change in fund balances	-	500	1,225	725
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 1,225</u>	<u>\$ 725</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,225	
To adjust revenues for accruals			1,605	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 2,830</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - Loss Recovery Fund Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,410	\$ 7,660	\$ 8,952	\$ 1,292
Expenditures:				
Current:				
General government:				
Supplies	-	-	-	-
Other services and charges	350,000	422,302	72,302	350,000
Capital outlay	-	58,009	58,009	-
Total expenditures	350,000	480,311	130,311	350,000
Net change in fund balances	(348,590)	(472,651)	(121,359)	351,292
Fund balances - Beginning	994,542	994,542	994,542	-
Fund balances - Ending	<u>\$ 645,952</u>	<u>\$ 521,891</u>	<u>\$ 873,183</u>	<u>\$ 351,292</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (121,359)	
To adjust revenues for accruals			31	
To adjust expenditures for accruals			1,342	
To adjust expenditures for encumbrances			98,675	
Net change in fund balance, GAAP basis			<u>\$ (21,311)</u>	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total revenues	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning	33,671	33,671	33,671	-
Fund balances - Ending	<u>\$ 33,671</u>	<u>\$ 33,671</u>	<u>\$ 33,671</u>	<u>\$ -</u>
Budget/GAAP Reconciliation				
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 - Local Road and Street Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,068,000	\$ 1,313,600	\$ 1,209,101	\$ (104,499)
Other	201,000	616,500	433,047	(183,453)
Total revenues	<u>1,269,000</u>	<u>1,930,100</u>	<u>1,642,148</u>	<u>(287,952)</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	450,000	469,668	469,500	168
Other services and charges	193,000	437,369	397,645	39,724
Capital outlay	<u>588,000</u>	<u>1,360,907</u>	<u>1,268,886</u>	<u>92,021</u>
Total expenditures	<u>1,231,000</u>	<u>2,267,944</u>	<u>2,136,031</u>	<u>131,913</u>
Net change in fund balances	38,000	(337,844)	(493,883)	(156,039)
Fund balances - Beginning	<u>2,730,925</u>	<u>2,730,925</u>	<u>2,730,925</u>	-
Fund balances - Ending	<u>\$ 2,768,925</u>	<u>\$ 2,393,081</u>	<u>\$ 2,237,042</u>	<u>\$ (156,039)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (493,883)	
To adjust revenues for accruals			(221,968)	
To adjust expenditures for accruals			(98,627)	
To adjust expenditures for encumbrances			<u>596,544</u>	
Net change in fund balance, GAAP basis			<u>\$ (217,934)</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, 2016

	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 - LOIT 2016 Special Distribution Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 4,867,549	\$ 4,217,549	\$ (650,000)
Other	-	131,000	130,394	(606)
Total revenues	-	4,998,549	4,347,943	(650,606)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	-	150,000	138,100	11,900
Capital outlay	-	850,000	812,233	37,767
Other Uses	-	-	-	-
Total expenditures	-	1,000,000	950,333	49,667
Other financing sources - Transfers In	-	-	-	-
Net change in fund balances	-	3,998,549	3,397,610	(600,939)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 3,998,549	\$ 3,397,610	\$ (600,939)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 3,397,610	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			(22,722)	
To adjust expenditures for encumbrances			627,457	
Net change in fund balance, GAAP basis			\$ 4,002,344	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 145,000	\$ 196,000	\$ 209,350	\$ 13,350
Other	20,040	22,105	31,008	8,903
Total revenues	<u>165,040</u>	<u>218,105</u>	<u>240,358</u>	<u>22,253</u>
Expenditures:				
Current:				
General government				
Personnel services	122,817	122,817	120,507	2,310
Supplies	2,300	7,500	6,894	606
Other services and charges	96,721	91,521	64,665	26,856
Total expenditures	<u>221,838</u>	<u>221,838</u>	<u>192,066</u>	<u>29,772</u>
Net change in fund balances	(56,798)	(3,733)	48,292	52,025
Fund balances - Beginning	<u>425,850</u>	<u>425,850</u>	<u>425,850</u>	-
Fund balances - Ending	<u>\$ 369,052</u>	<u>\$ 422,117</u>	<u>\$ 474,142</u>	<u>\$ 52,025</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 48,292	
To adjust revenues for accruals			20,215	
To adjust expenditures for accruals			(9,147)	
To adjust expenditures for encumbrances			6,377	
Net change in fund balance, GAAP basis			<u>\$ 65,737</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 30	\$ 30	\$ 12	\$ (18)
Expenditures:				
Current - Culture and recreation - Supplies	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	30	30	12	(18)
Fund balances - Beginning	1,337	1,337	1,337	-
Fund balances - Ending	<u>\$ 1,367</u>	<u>\$ 1,367</u>	<u>\$ 1,349</u>	<u>\$ (18)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 12	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 13</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 18,150	\$ 20,956	\$ 20,947	\$ (9)
Expenditures:				
Current - Culture and recreation - Other services and charges	18,000	18,878	7,887	10,991
Net change in fund balances	150	2,078	13,060	10,982
Fund balances - Beginning	30,391	30,391	30,391	-
Fund balances - Ending	<u>\$ 30,541</u>	<u>\$ 32,469</u>	<u>\$ 43,451</u>	<u>\$ 10,982</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,060	
To adjust revenue for accruals			(198)	
To adjust expenditures for accruals			(2,797)	
To adjust expenditures for encumbrances			3,675	
Net change in fund balance, GAAP basis			<u>\$ 13,740</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ -	\$ 20	\$ 35	\$ 15
Net change in fund balances	-	20	35	15
Fund balances - Beginning	<u>3,855</u>	<u>3,855</u>	<u>3,855</u>	<u>-</u>
Fund balances - Ending	<u>\$ 3,855</u>	<u>\$ 3,875</u>	<u>\$ 3,890</u>	<u>\$ 15</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 35	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 36</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 150	\$ 150	\$ 250	\$ 100
Fund balances - Beginning	27,398	27,398	27,398	-
Fund balances - Ending	<u>\$ 27,548</u>	<u>\$ 27,548</u>	<u>\$ 27,648</u>	<u>\$ 100</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 250	
To adjust revenues for accruals			<u>2</u>	
Net change in fund balance, GAAP basis			<u>\$ 252</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 3,410	\$ (6,590)
Other	-	320	264	(56)
Total revenues	<u>10,000</u>	<u>10,320</u>	<u>3,674</u>	<u>(6,646)</u>
Expenditures:				
Current:				
Public safety - Supplies	<u>10,000</u>	<u>10,000</u>	<u>9,393</u>	<u>607</u>
Net change in fund balances	-	320	(5,719)	(6,039)
Fund balances - Beginning	<u>32,104</u>	<u>32,104</u>	<u>32,104</u>	<u>-</u>
Fund balances - Ending	<u><u>\$ 32,104</u></u>	<u><u>\$ 32,424</u></u>	<u><u>\$ 26,385</u></u>	<u><u>\$ (6,039)</u></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,719)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			1	
To adjust expenditures for encumbrances			<u>431</u>	
Net change in fund balance, GAAP basis			<u><u>\$ (5,287)</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 - Indiana River Rescue Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 45,000	\$ 110,700	\$ 110,700	\$ -
Intergovernmental	-	-	-	-
Other	200	1,278	1,222	(56)
Total revenues	45,200	111,978	111,922	(56)
Expenditures:				
Current:				
Public safety:				
Personnel services	15,500	25,500	23,000	2,500
Supplies	10,800	10,800	7,231	3,569
Other services and charges	69,000	69,000	36,164	32,836
Capital outlay	-	-	-	-
Total expenditures	95,300	105,300	66,395	38,905
Net change in fund balances	(50,100)	6,678	45,527	38,849
Fund balances - Beginning	95,569	95,569	95,569	-
Fund balances - Ending	<u>\$ 45,469</u>	<u>\$ 102,247</u>	<u>\$ 141,096</u>	<u>\$ 38,849</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 45,527	
To adjust revenues for accruals			10	
To adjust expenditures for accruals			569	
To adjust expenditures for encumbrances			1,049	
Net change in fund balance, GAAP basis			<u>\$ 47,155</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Special Revenue Funds - COPS Block Grant II Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety:				
Supplies	-	-	-	-
Other services and charges	-	55,373	55,373	-
Capital outlay	-	-	-	-
Total expenditures	-	55,373	55,373	-
Net change in fund balances	-	(55,373)	(55,373)	-
Fund balances - Beginning	121,196	121,196	121,196	-
Fund balances - Ending	<u>\$ 121,196</u>	<u>\$ 65,823</u>	<u>\$ 65,823</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (55,373)	
To adjust expenditures for accruals			3,917	
To adjust expenditures for encumbrances			10,805	
Net change in fund balance, GAAP basis			<u>\$ (40,651)</u>	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 21,650	\$ 1,650
Other	2,500	2,500	743	(1,757)
Total revenues	<u>22,500</u>	<u>22,500</u>	<u>22,393</u>	<u>(107)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	-	1,500
Other services and charges	21,000	21,000	16,535	4,465
Total expenditures	<u>22,500</u>	<u>22,500</u>	<u>16,535</u>	<u>5,965</u>
Net change in fund balances	-	-	5,858	5,858
Fund balances - Beginning	<u>70,310</u>	<u>70,310</u>	<u>70,310</u>	-
Fund balances - Ending	<u>\$ 70,310</u>	<u>\$ 70,310</u>	<u>\$ 76,168</u>	<u>\$ 5,858</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 5,858	
To adjust revenues for accruals			(1,948)	
To adjust expenditures for accruals			87	
Net change in fund balance, GAAP basis			<u>\$ 3,997</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 53,750	\$ 61,069	\$ 174,506	\$ 113,437
Other	38,250	40,475	134,719	94,244
Total Revenues	92,000	101,544	309,225	207,681
Expenditures:				
Current:				
Public safety:				
Supplies	47,000	269,787	216,996	52,791
Other services and charges	45,000	45,000	39,829	5,171
Capital outlay	-	-	-	-
Total expenditures	92,000	314,787	256,825	57,962
Other Financing (uses)				
Transfers IN	-	-	-	\$ -
Net change in fund balances	-	(213,243)	52,400	265,643
Fund balances - Beginning	121,715	121,715	121,715	-
Fund balances - Ending	<u>\$ 121,715</u>	<u>\$ (91,528)</u>	<u>\$ 174,115</u>	<u>\$ 265,643</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 52,400	
To adjust revenues for accruals			(7,375)	
To adjust expenditures for accruals			(12,869)	
To adjust expenditures for encumbrances			63,467	
Net change in fund balance, GAAP basis			<u>\$ 95,623</u>	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 10,786	\$ (149,214)
Other	2,000	2,000	15,933	13,933
Total revenues	<u>162,000</u>	<u>162,000</u>	<u>26,719</u>	<u>(135,281)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	55,000	61,965	55,673	6,292
Other services and charges	62,000	62,000	1,290	60,710
Capital outlay	<u>45,000</u>	<u>45,000</u>	<u>30,787</u>	<u>14,213</u>
Total expenditures	<u>162,000</u>	<u>168,965</u>	<u>87,750</u>	<u>81,215</u>
Net change in fund balances	-	(6,965)	(61,031)	(54,066)
Fund balances - Beginning	<u>252,752</u>	<u>252,752</u>	<u>252,752</u>	-
Fund balances - Ending	<u>\$ 252,752</u>	<u>\$ 245,787</u>	<u>\$ 191,721</u>	<u>\$ (54,066)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (61,031)	
To adjust revenues for accruals			55	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			<u>34,337</u>	
Net change in fund balance, GAAP basis			<u>\$ (26,639)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 185,800	\$ 360,800	\$ 148,900	\$ (211,900)
Expenditures:				
Supplies	12,500	12,500	-	12,500
Other services and charges	350,000	350,000	97,000	253,000
Capital Outlay	-	-	-	-
Total expenditures	<u>362,500</u>	<u>362,500</u>	<u>97,000</u>	<u>265,500</u>
Net change in fund balances	(176,700)	(1,700)	51,900	53,600
Fund balances - Beginning	<u>64,958</u>	<u>64,958</u>	<u>64,958</u>	<u>-</u>
Fund balances - Ending	<u>\$ (111,742)</u>	<u>\$ 63,258</u>	<u>\$ 116,858</u>	<u>\$ 53,600</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 51,900	
To adjust revenues for accruals			25,042	
To adjust expenditures for accruals			<u>(72,900)</u>	
Net change in fund balance, GAAP basis			<u>\$ 4,042</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 169,827	\$ 201,627	\$ 200,250	\$ (1,377)
Expenditures:				
Current:				
Economic Development				
Other services and charges	<u>238,173</u>	<u>238,173</u>	<u>238,173</u>	<u>-</u>
Net change in fund balances	(68,346)	(36,546)	(37,923)	(1,377)
Fund balances - Beginning	<u>631,221</u>	<u>631,221</u>	<u>631,221</u>	<u>-</u>
Fund balances - Ending	<u>\$ 562,875</u>	<u>\$ 594,675</u>	<u>\$ 593,298</u>	<u>\$ (1,377)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (37,923)	
To adjust revenues for accruals			(195,491)	
To adjust expenditures for accruals			<u>238,173</u>	
Net change in fund balance, GAAP basis			<u>\$ 4,759</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 433,290	\$ 440,650	\$ 440,649	\$ (1)
Other	4,000	7,978	7,817	(161)
Total revenues	<u>437,290</u>	<u>448,628</u>	<u>448,466</u>	<u>(162)</u>
Expenditures:				
Current:				
General government:				
Personnel services	56,649	56,649	27,792	28,857
Supplies	3,145	3,145	1,754	1,391
Other services and charges	112,564	112,564	112,192	372
Other uses	6,000	6,000	5,456	544
Total expenditures	<u>178,358</u>	<u>178,358</u>	<u>147,194</u>	<u>31,164</u>
Other financing uses -				
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balances	(91,068)	(79,730)	(48,728)	31,002
Fund balances - Beginning	<u>923,440</u>	<u>923,440</u>	<u>923,440</u>	<u>-</u>
Fund balances - Ending	<u>\$ 832,372</u>	<u>\$ 843,710</u>	<u>\$ 874,712</u>	<u>\$ 31,002</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (48,728)	
To adjust revenues for accruals			26	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ (48,702)</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 K-9 Unit Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,020	\$ 2,020	\$ 33	\$ (1,987)
Expenditures:				
Current - Public safety -				
Other services and charges	<u>2,020</u>	<u>2,020</u>	<u>1,044</u>	<u>976</u>
Net change in fund balances	-	-	(1,011)	(1,011)
Fund balances - Beginning	<u>3,874</u>	<u>3,874</u>	<u>3,874</u>	-
Fund balances - Ending	<u>\$ 3,874</u>	<u>\$ 3,874</u>	<u>\$ 2,863</u>	<u>\$ (1,011)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (1,011)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,011)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 20	\$ 20	\$ 7	\$ (13)
Other financing uses - Transfers out	(3,688)	(3,688)	(3,673)	15
Net change in fund balances	(3,668)	(3,668)	(3,666)	2
Fund balances - Beginning	<u>3,670</u>	<u>3,670</u>	<u>3,670</u>	<u>-</u>
Fund balances - Ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 4</u>	<u>\$ 2</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (3,666)	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ (3,665)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 1,200,000	\$ 1,361,512	\$ 1,361,512	\$ -
Intergovernmental	183,112	183,112	70,548	(112,564)
Other	100	100	112,066	111,966
Total revenues	<u>1,383,212</u>	<u>1,544,724</u>	<u>1,544,126</u>	<u>(598)</u>
Expenditures:				
Debt service:				
Principal	1,180,000	1,180,000	1,180,000	-
Interest and fiscal agent fees	88,015	91,000	91,000	-
Total expenditures	<u>1,268,015</u>	<u>1,271,000</u>	<u>1,271,000</u>	<u>-</u>
Net change in fund balances	115,197	273,724	273,126	(598)
Fund balances - Beginning	<u>11,396</u>	<u>11,396</u>	<u>11,396</u>	<u>-</u>
Fund balances - Ending	<u>\$ 126,593</u>	<u>\$ 285,120</u>	<u>\$ 284,522</u>	<u>\$ (598)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 273,126	
To adjust revenues for accruals			114	
To adjust expenditures for accruals			<u>2,972</u>	
Net change in fund balance, GAAP basis			<u>\$ 276,212</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Debt Service Funds - Redevelopment Bond - Airport Taxable Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 5,000	\$ 14,000	\$ 9,471	\$ (4,529)
Other financing uses - Transfers out	(5,000)	(14,000)	(8,312)	5,688
Net change in fund balances	-	-	1,159	1,159
Fund balances - Beginning	1,038,904	1,038,904	1,038,904	-
Fund balances - Ending	<u>\$ 1,038,904</u>	<u>\$ 1,038,904</u>	<u>\$ 1,040,063</u>	<u>\$ 1,159</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,159	
To adjust revenues for accruals			36	
To adjust expenditures for accruals			1	
Net change in fund balance, GAAP basis			<u>\$ 1,196</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,800	\$ 5,300	\$ 4,647	\$ (653)
Net change in fund balances	1,800	5,300	4,647	(653)
Fund balances - Beginning	<u>508,480</u>	<u>508,480</u>	<u>508,480</u>	<u>-</u>
Fund balances - Ending	<u>\$ 510,280</u>	<u>\$ 513,780</u>	<u>\$ 513,127</u>	<u>\$ (653)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,647	
To adjust revenues for accruals			<u>19</u>	
Net change in fund balance, GAAP basis			<u>\$ 4,666</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 6,000	\$ 15,000	\$ 15,824	\$ 824
Other financing uses - Transfers out	(6,000)	(15,000)	(13,888)	1,112
Net change in fund balances	-	-	1,936	1,936
Fund balances - Beginning	1,735,840	1,735,840	1,735,840	-
Fund balances - Ending	<u>\$ 1,735,840</u>	<u>\$ 1,735,840</u>	<u>\$ 1,737,776</u>	<u>\$ 1,936</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,936	
To adjust revenues for accruals			59	
To adjust expenditures for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,996</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 157,742	\$ 157,742	\$ 163,588	\$ 5,846
Expenditures:				
Other services and charges	237,132	237,132	236,243	889
Other financing sources - Transfers in	79,390	79,676	79,676	-
Net change in fund balances	-	286	7,021	6,735
Fund balances - Beginning	50,032	50,032	50,032	-
Fund balances - Ending	\$ 50,032	\$ 50,318	\$ 57,053	\$ 6,735
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,021	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 7,021	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 660,000	\$ 760,390	\$ 760,390	\$ -
Other	49,718	51,518	47,565	(3,953)
Total revenues	<u>709,718</u>	<u>811,908</u>	<u>807,955</u>	<u>(3,953)</u>
Expenditures:				
Culture and recreation:				
Other services and charges	838,052	838,052	838,051	1
Other uses	-	-	-	-
Total expenditures	<u>838,052</u>	<u>838,052</u>	<u>838,051</u>	<u>1</u>
Net change in fund balances	(128,334)	(26,144)	(30,096)	(3,952)
Fund balances - Beginning	<u>427,931</u>	<u>427,931</u>	<u>427,931</u>	<u>-</u>
Fund balances - Ending	<u>\$ 299,597</u>	<u>\$ 401,787</u>	<u>\$ 397,835</u>	<u>\$ (3,952)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (30,096)	
To adjust revenues for accruals			<u>(86,595)</u>	
Net change in fund balance, GAAP basis			<u>\$ (116,691)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 15,200	\$ 15,500	\$ 41,455	\$ 25,955
Expenditures:				
Culture and recreation:				
Supplies	-	-	-	-
Other services and charges	-	36,000	33,475	2,525
Capital outlay	-	-	-	-
Total expenditures	-	36,000	33,475	2,525
Net change in fund balances	15,200	(20,500)	7,980	28,480
Fund balances - Beginning	82,661	82,661	82,661	-
Fund balances - Ending	<u>\$ 97,861</u>	<u>\$ 62,161</u>	<u>\$ 90,641</u>	<u>\$ 28,480</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,980	
To adjust revenues for accruals			5	
To adjust expenditures for accruals			22,000	
Net change in fund balance, GAAP basis			<u>\$ 29,985</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 200	\$ 359	\$ 453	\$ 94
Expenditures:				
Capital	-	-	-	-
Net change in fund balances	200	359	453	94
Fund balances - Beginning	49,510	49,510	49,510	-
Fund balances - Ending	<u>\$ 49,710</u>	<u>\$ 49,869</u>	<u>\$ 49,963</u>	<u>\$ 94</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 453	
To adjust revenues for accruals			<u>1</u>	
Net change in fund balance, GAAP basis			<u>\$ 454</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 34,000	\$ 34,000	\$ 5,167	\$ (28,833)
Other	28,000	28,000	3,347	(24,653)
Total revenues	62,000	62,000	8,514	(53,486)
Expenditures:				
Culture and recreation:				
Supplies	58,000	96,546	79,292	17,254
Other services and charges	-	162,487	90,671	71,816
Capital outlay	131,000	224,062	80,591	143,471
Total expenditures	189,000	483,095	250,554	232,541
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	(127,000)	(421,095)	(242,040)	179,055
Fund balances - Beginning	470,335	470,335	470,335	-
Fund balances - Ending	\$ 343,335	\$ 49,240	\$ 228,295	\$ 179,055
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (242,040)	
To adjust revenues for accruals			1	
To adjust expenditures for encumbrances			(18,673)	
To adjust expenditures for encumbrances			83,024	
Net change in fund balance, GAAP basis			\$ (177,688)	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 433,000	\$ 440,887	\$ 440,887	\$ -
Intergovernmental	90,737	90,737	90,267	(470)
Other	3,000	3,000	3,937	937
Total revenues	<u>526,737</u>	<u>534,624</u>	<u>535,091</u>	<u>467</u>
Expenditures:				
General government -				
Other services and charges	526,737	526,737	526,737	-
Net change in fund balances	-	7,887	8,354	467
Fund balances - Beginning	<u>572,704</u>	<u>572,704</u>	<u>572,704</u>	<u>-</u>
Fund balances - Ending	<u>\$ 572,704</u>	<u>\$ 580,591</u>	<u>\$ 581,058</u>	<u>\$ 467</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,354	
To adjust revenues for accruals			<u>13</u>	
Net change in fund balance, GAAP basis			<u>\$ 8,367</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 407,727	\$ (2,273)
Other	25,700	27,352	27,537	185
Total revenues	<u>435,700</u>	<u>437,352</u>	<u>435,264</u>	<u>(2,088)</u>
Expenditures - General government -				
Other services and charges	<u>365,907</u>	<u>368,250</u>	<u>368,250</u>	-
Net change in fund balances	69,793	69,102	67,014	(2,088)
Fund balances - Beginning	<u>311,637</u>	<u>311,637</u>	<u>311,637</u>	-
Fund balances - Ending	<u>\$ 381,430</u>	<u>\$ 380,739</u>	<u>\$ 378,651</u>	<u>\$ (2,088)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 67,014	
To adjust revenues for accruals			<u>17</u>	
Net change in fund balance, GAAP basis			<u>\$ 67,031</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 101,781	\$ 101,781	\$ -
Other	2,000	4,965	4,856	(109)
Total revenues	<u>102,000</u>	<u>106,746</u>	<u>106,637</u>	<u>(109)</u>
Expenditures:				
Culture and recreation:				
Supplies	25,000	30,000	10,492	19,508
Other services and charges	<u>39,000</u>	<u>48,923</u>	<u>31,682</u>	<u>17,241</u>
Total expenditures	<u>64,000</u>	<u>78,923</u>	<u>42,174</u>	<u>36,749</u>
Net change in fund balances	38,000	27,823	64,463	36,640
Fund balances - Beginning	<u>517,398</u>	<u>517,398</u>	<u>517,398</u>	-
Fund balances - Ending	<u>\$ 555,398</u>	<u>\$ 545,221</u>	<u>\$ 581,861</u>	<u>\$ 36,640</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 64,463	
To adjust revenues for accruals			24	
To adjust expenditures for accruals			9,538	
To adjust expenditures for encumbrances			<u>8,644</u>	
Net change in fund balance, GAAP basis			<u>\$ 82,669</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 172,003	\$ 172,703	\$ 135,468	\$ (37,235)
Expenditures:				
Economic Development:				
Supplies	8,742	7,692	4,035	3,657
Other services and charges	151,664	118,862	112,588	6,274
Capital outlay	-	43,852	40,850	3,002
Total expenditures	160,406	170,406	157,473	12,933
Net change in fund balances	11,597	2,297	(22,005)	(24,302)
Fund balances - Beginning	209,031	209,031	209,031	-
Fund balances - Ending	<u>\$ 220,628</u>	<u>\$ 211,328</u>	<u>\$ 187,026</u>	<u>\$ (24,302)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (22,005)	
To adjust revenues for accruals			(802)	
To adjust expenditures for accruals			(659)	
Net change in fund balance, GAAP basis			<u>\$ (23,466)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 420,000	\$ 453,503	\$ 453,503	\$ -
Other	4,000	15,500	14,814	(686)
Total revenues	<u>424,000</u>	<u>469,003</u>	<u>468,317</u>	<u>(686)</u>
Expenditures:				
Economic Development:				
Other services and charges	26,000	43,166	17,374	25,792
Capital outlay	<u>1,074,000</u>	<u>1,360,200</u>	<u>300,000</u>	<u>1,060,200</u>
Total expenditures	<u>1,100,000</u>	<u>1,403,366</u>	<u>317,374</u>	<u>1,085,992</u>
Net change in fund balances	(676,000)	(934,363)	150,943	1,085,306
Fund balances - Beginning	<u>1,508,786</u>	<u>1,508,786</u>	<u>1,508,786</u>	<u>-</u>
Fund balances - Ending	<u>\$ 832,786</u>	<u>\$ 574,423</u>	<u>\$ 1,659,729</u>	<u>\$ 1,085,306</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 150,943	
To adjust revenues for accruals			(47,412)	
To adjust expenditures for accruals			3,366	
To adjust expenditures for encumbrances			<u>303,292</u>	
Net change in fund balance, GAAP basis			<u>\$ 410,189</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 152	\$ 152	\$ 80	\$ (72)
Expenditures:				
Economic Development -				
Other services and charges	4,500	4,500	329	4,171
Net change in fund balances	(4,348)	(4,348)	(249)	4,099
Fund balances - Beginning	8,713	8,713	8,713	-
Fund balances - Ending	<u>\$ 4,365</u>	<u>\$ 4,365</u>	<u>\$ 8,464</u>	<u>\$ 4,099</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (249)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ (249)</u>	

City of South Bend, Indiana

Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Governmental Funds Capital Projects Funds - Community Revitalization Enhancement District Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	690	635	(55)
Total revenues	-	690	635	(55)
Expenditures:				
Economic Development - Other services and charges	-	3,200	3,039	161
Net change in fund balances	-	(2,510)	(2,404)	106
Fund balances - Beginning	2,404	2,404	2,404	-
Fund balances - Ending	\$ 2,404	\$ (106)	\$ -	\$ 106
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,404)	
To adjust revenues for accruals			(45)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (2,449)	

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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,400,000	\$ 2,401,252	\$ 2,401,252	\$ -
Other	10,000	52,000	50,157	(1,843)
Total revenues	<u>2,410,000</u>	<u>2,453,252</u>	<u>2,451,409</u>	<u>(1,843)</u>
Expenditures:				
Economic Development:				
Other services and charges	240,000	563,905	325,134	238,771
Capital outlay	<u>5,860,000</u>	<u>6,847,910</u>	<u>4,517,189</u>	<u>2,330,721</u>
Total expenditures	<u>6,100,000</u>	<u>7,411,815</u>	<u>4,842,323</u>	<u>2,569,492</u>
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	(3,690,000)	(4,958,563)	(2,390,914)	2,567,649
Fund balances - Beginning	<u>6,103,313</u>	<u>6,103,313</u>	<u>6,103,313</u>	-
Fund balances - Ending	<u>\$ 2,413,313</u>	<u>\$ 1,144,750</u>	<u>\$ 3,712,399</u>	<u>\$ 2,567,649</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,390,914)	
To adjust revenues for accruals			(173,426)	
To adjust expenditures for accruals			(143,304)	
To adjust expenditures for encumbrances			<u>917,424</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,790,220)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other	25,000	52,700	45,372	(7,328)
Total revenues	25,000	52,700	45,372	(7,328)
Expenditures:				
Economic Development -				
Other services and charges	490,503	490,503	489,503	1,000
Net change in fund balances	(465,503)	(437,803)	(444,131)	(6,328)
Fund balances - Beginning	5,309,298	5,309,298	5,309,298	-
Fund balances - Ending	<u>\$ 4,843,795</u>	<u>\$ 4,871,495</u>	<u>\$ 4,865,167</u>	<u>\$ (6,328)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (444,131)	
To adjust revenues for accruals			<u>137</u>	
Net change in fund balance, GAAP basis			<u>\$ (443,994)</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 2,000	\$ 53,809	\$ 53,316	\$ (493)
Expenditures:				
Culture and Recreation:				
Supplies	1,000	1,000	-	1,000
Other services and charges	83,801	83,801	61,842	21,959
Total expenditures	84,801	84,801	61,842	22,959
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	(82,801)	(30,992)	(8,526)	22,466
Fund balances - Beginning	503,531	503,531	503,531	-
Fund balances - Ending	<u>\$ 420,730</u>	<u>\$ 472,539</u>	<u>\$ 495,005</u>	<u>\$ 22,466</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (8,526)	
To adjust revenues for accruals			16	
To adjust expenditures for accruals			7,420	
To adjust expenditures for encumbrances			1,090	
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 Capital Projects Funds - Major Moves Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,509,366	\$ 1,491,633	\$ 1,376,899	\$ (114,734)
Expenditures:				
Major Moves Construction:				
Other Services and Charges	750,000	750,000	749,999	1
Capital	<u>840,000</u>	<u>1,698,588</u>	<u>1,390,506</u>	<u>308,082</u>
Total Expenditures	<u>1,590,000</u>	<u>2,448,588</u>	<u>2,140,505</u>	<u>308,083</u>
Net change in fund balances	(80,634)	(956,955)	(763,606)	193,349
Fund balances - Beginning	<u>2,159,797</u>	<u>2,159,797</u>	<u>2,159,797</u>	<u>-</u>
Fund balances - Ending	<u>\$ 2,079,163</u>	<u>\$ 1,202,842</u>	<u>\$ 1,396,191</u>	<u>\$ 193,349</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (763,606)	
To adjust revenues for accruals			(1,234,272)	
To adjust expenditures for accruals			360,132	
To adjust expenditures for encumbrances			<u>970,707</u>	
Net change in fund balance, GAAP basis			<u>\$ (667,039)</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 Development Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,750,000	\$ 2,750,000	\$ 2,348,608	\$ (401,392)
Other	7,000	162,500	139,242	(23,258)
Total revenues	<u>2,757,000</u>	<u>2,912,500</u>	<u>2,487,850</u>	<u>(424,650)</u>
Expenditures:				
Economic Development:				
Other services and charges	570,000	439,431	419,730	19,701
Capital outlay	<u>3,230,000</u>	<u>7,895,728</u>	<u>4,556,299</u>	<u>3,339,429</u>
Total expenditures	<u>3,800,000</u>	<u>8,335,159</u>	<u>4,976,029</u>	<u>3,359,130</u>
Other Financing Sources (uses):				
Transfers In	-	-	-	-
Net change in fund balances	(1,043,000)	(5,422,659)	(2,488,179)	2,934,480
Fund balances - Beginning	<u>7,570,974</u>	<u>7,570,974</u>	<u>7,570,974</u>	-
Fund balances - Ending	<u>\$ 6,527,974</u>	<u>\$ 2,148,315</u>	<u>\$ 5,082,795</u>	<u>\$ 2,934,480</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (2,488,179)	
To adjust revenues for accruals			(76,457)	
To adjust expenditures for accruals			(1,277)	
To adjust expenditures for encumbrances			<u>2,802,695</u>	
Net change in fund balance, GAAP basis			<u>\$ 236,782</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 320,000	\$ 345,262	\$ 345,262	\$ -
Other	750	1,350	1,094	(256)
Total revenues	<u>320,750</u>	<u>346,612</u>	<u>346,356</u>	<u>(256)</u>
Expenditures:				
Economic Development:				
Other services and charges	<u>350,000</u>	<u>354,200</u>	<u>345,504</u>	<u>8,696</u>
Net change in fund balances	(29,250)	(7,588)	852	8,440
Fund balances - Beginning	<u>151,863</u>	<u>151,863</u>	<u>151,863</u>	<u>-</u>
Fund balances - Ending	<u>\$ 122,613</u>	<u>\$ 144,275</u>	<u>\$ 152,715</u>	<u>\$ 8,440</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 852	
To adjust revenues for accruals			(40,735)	
To adjust expenditures for accruals			312,515	
To adjust expenditures for encumbrances			<u>4,216</u>	
Net change in fund balance, GAAP basis			<u>\$ 276,848</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,948,923	\$ 3,932,948	\$ 3,932,947	\$ (1)
Other	213,499	213,500	212,665	(835)
Total revenues	<u>3,162,422</u>	<u>4,146,448</u>	<u>4,145,612</u>	<u>(836)</u>
Expenditures:				
Economic Development:				
Other services and charges	<u>3,430,000</u>	<u>3,430,000</u>	<u>3,369,509</u>	<u>60,491</u>
Net change in fund balances	(267,578)	716,448	776,103	59,655
Fund balances - Beginning	<u>1,622,127</u>	<u>1,622,127</u>	<u>1,622,127</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,354,549</u>	<u>\$ 2,338,575</u>	<u>\$ 2,398,230</u>	<u>\$ 59,655</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 776,103	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			722,272	
To adjust expenditures for encumbrances			<u>231</u>	
Net change in fund balance, GAAP basis			<u>\$ 1,498,606</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 14,637	\$ 23,037	\$ 20,029	\$ (3,008)
Expenditures -				
Economic Development - Capital outlay	<u>2,550,000</u>	<u>2,692,913</u>	<u>142,913</u>	<u>2,550,000</u>
Net change in fund balances	(2,535,363)	(2,669,876)	(122,884)	2,546,992
Fund balances - Beginning	<u>2,276,266</u>	<u>2,276,266</u>	<u>2,276,266</u>	-
Fund balances - Ending	<u>\$ (259,097)</u>	<u>\$ (393,610)</u>	<u>\$ 2,153,382</u>	<u>\$ 2,546,992</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (122,884)	
To adjust revenues for accruals			59	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (122,825)</u>	

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 Historic Preservation Year Ended December 31, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 17,300	\$ 17,761	\$ 16,496	\$ (1,265)
Expenditures - Culture and Recreation - Other services and charges	-	-	-	-
Net change in fund balances	17,300	17,761	16,496	(1,265)
Fund balances - Beginning	76,513	76,513	76,513	-
Fund balances - Ending	<u>\$ 93,813</u>	<u>\$ 94,274</u>	<u>\$ 93,009</u>	<u>\$ (1,265)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 16,496	
To adjust revenues for accruals			6	
Net change in fund balance, GAAP basis			<u>\$ 16,502</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, 2016

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues - Other	\$ 1,500	\$ 3,900	\$ 3,474	\$ (426)
Expenditures:				
Economic Development				
Other services and charges	50,000	50,000	-	50,000
Net change in fund balances	(48,500)	(46,100)	3,474	49,574
Fund balances - Beginning	380,115	380,115	380,115	-
Fund balances - Ending	<u>\$ 331,615</u>	<u>\$ 334,015</u>	<u>\$ 383,589</u>	<u>\$ 49,574</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,474	
To adjust revenues for accruals			14	
Net change in fund balance, GAAP basis			<u>\$ 3,488</u>	

City of South Bend, Indiana

Other Supplementary Information Nonmajor Enterprise Funds Fund Descriptions

Consolidated Building - The consolidated building fund accounts for the operation of the consolidated St. Joseph County/South Bend Building Department and the South Bend Code Enforcement and Animal Care and Control 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 to residents and businesses.

Emergency Medical Services - To account for the operations and 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, 2016

	Consolidated			Emergency	Total
	Building	Parking Garage	Solid Waste	Medical Services	
Assets					
Current assets:					
Cash and cash equivalents	\$ 583,210	\$ 216,013	\$ 43,046	\$ 1,199,627	\$ 2,041,896
Investments	2,030,579	752,515	149,958	4,185,455	7,118,507
Receivables:					
Accounts	9,750	453	451,144	4,088,693	4,550,040
Interest	4,867	1,797	985	10,043	17,692
Due from other funds	1,200	-	-	-	1,200
Total current assets	2,629,606	970,778	645,133	9,483,818	13,729,335
Noncurrent assets:					
Restricted assets	71,066	-	680,849	481,506	1,233,421
Capital assets:					
Assets not subject to depreciation	27,400	1,132,020	-	-	1,159,420
Assets subject to depreciation	1,813,858	3,309,922	3,527,752	5,332,900	13,984,432
Total noncurrent assets	1,912,324	4,441,942	4,208,601	5,814,406	16,377,273
Total assets	4,541,930	5,412,720	4,853,734	15,298,224	30,106,608
Liabilities					
Current liabilities:					
Accounts payable	21,040	97,318	266,170	89,556	474,084
Due to other governmental units	-	-	-	101,142	101,142
Due to other funds	1,065	-	-	1,371	2,436
Performance deposits payable	5,000	-	-	-	5,000
Accrued liabilities and other:					
Accrued payroll payable	43,214	-	51,002	81,504	175,720
Accrued interest payable	1,495	-	16,727	75,997	94,219
Compensated absences	103,199	-	36,952	98,783	238,934
Mortgage bonds payable	-	-	-	225,000	225,000
Capital leases	54,621	-	1,033,475	176,729	1,264,825
Total current liabilities	229,634	97,318	1,404,326	850,082	2,581,360
Noncurrent liabilities:					
Advances from other funds	-	31,191	-	-	31,191
Mortgage bonds payable	-	-	-	4,990,402	4,990,402
Capital leases	172,747	-	1,917,957	438,965	2,529,669
Total noncurrent liabilities	172,747	31,191	1,917,957	5,429,367	7,551,262
Total liabilities	402,381	128,509	3,322,283	6,279,449	10,132,622
Deferred Inflows of Resources -					
Unamortized gain on sale/leaseback	-	3,356	-	-	3,356
Net Position					
Net investment in capital assets	1,684,956	4,441,942	921,312	(133,517)	6,914,693
Cash with fiscal agent	71,066	-	344,992	481,506	897,564
Capital outlay fund	-	-	335,857	-	335,857
Unrestricted	2,383,527	838,913	(70,710)	8,670,786	11,822,516
Total net position	\$ 4,139,549	\$ 5,280,855	\$ 1,531,451	\$ 9,018,775	\$ 19,970,630

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, 2016

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Operating Revenue					
Licenses and permits	\$ 1,752,497	\$ -	\$ -	\$ -	\$ 1,752,497
Parking fees	-	993,845	-	-	993,845
Solid waste fees	-	-	5,511,281	-	5,511,281
Charges for sales and services	-	-	-	7,822,894	7,822,894
Other	10,637	2,352	27,862	98,278	139,129
Total operating revenue	1,763,134	996,197	5,539,143	7,921,172	16,219,646
Operating Expenses					
Other operation and maintenance	2,950,039	-	4,839,592	6,746,038	14,535,669
Billing and administrative costs	135,024	693,788	313,488	-	1,142,300
Depreciation	152,174	216,069	597,745	504,835	1,470,823
Total operating expenses	3,237,237	909,857	5,750,825	7,250,873	17,148,792
Operating (Loss) Gain	(1,474,103)	86,340	(211,682)	670,299	(929,146)
Nonoperating Revenue (Expenses)					
Investment income	19,923	6,829	4,300	49,728	80,780
Interest expense	(2,935)	-	(44,088)	(186,476)	(233,499)
Gain (loss) on sale of assets	-	-	(102,141)	(43,477)	(145,618)
Other nonoperating general revenue	966	-	300,000	-	300,966
Total nonoperating revenue (expense)	17,954	6,829	158,071	(180,225)	2,629
Loss - Before contributions	(1,456,149)	93,169	(53,611)	490,074	(926,517)
Capital Contributions					
Other capital contributions	30,608	-	-	-	30,608
Transfers In	2,110,468	-	-	-	2,110,468
Change in Net Position	684,927	93,169	(53,611)	490,074	1,214,559
Net Position - Beginning of year	3,454,622	5,187,686	1,585,062	8,528,701	18,756,071
Net Position - End of year	<u>\$ 4,139,549</u>	<u>\$ 5,280,855</u>	<u>\$ 1,531,451</u>	<u>\$ 9,018,775</u>	<u>\$ 19,970,630</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended December 31, 2016

	Consolidated			Emergency	Total
	Building	Parking Garage	Solid Waste	Medical Services	
Cash Flows from Operating Activities					
Receipts from customers	\$ 1,812,877	\$ 993,819	\$ 5,497,744	\$ 8,087,508	\$ 16,391,948
Receipts from interfund services and reimbursements	1,170	-	-	-	1,170
Payments to suppliers	(551,256)	(635,257)	(2,504,816)	(1,633,813)	(5,325,142)
Payments to employees	(2,367,194)	-	(1,539,899)	(4,982,394)	(8,889,487)
Internal activity - Payments to other funds	(231,520)	(66,924)	(629,733)	(7,612)	(935,789)
Net cash (used in) provided by operating activities	(1,335,923)	291,638	823,296	1,463,689	1,242,700
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	2,110,468	-	-	-	2,110,468
Loans received from other funds	-	31,191	-	-	31,191
Other nonoperating revenue	966	-	300,000	-	300,966
Net cash provided by (used in) noncapital financing activities	2,111,434	31,191	300,000	-	2,442,625
Cash Flows from Capital and Related Financing Activities					
Activities					
Proceeds from capital debt issued for future capital purchase	139,941	-	1,453,477	107,464	1,700,882
Proceeds from sales of capital assets	-	-	22,816	-	22,816
Purchase of capital assets	(146,039)	-	(1,855,452)	(655,386)	(2,656,877)
Principal paid on capital debt	(31,421)	-	(850,494)	(373,815)	(1,255,730)
Interest paid on capital debt	(2,020)	-	(38,586)	(194,021)	(234,627)
Net cash (used in) provided by capital and related financing activities	(39,539)	-	(1,268,239)	(1,115,758)	(2,423,536)
Cash Flows from Investing Activities					
Interest received on investments	18,074	6,057	3,826	47,300	75,257
Proceeds from sale and maturities of investment securities	(523,388)	(242,629)	104,612	(375,853)	(1,037,258)
Net cash (used in) provided by investing activities	(505,314)	(236,572)	108,438	(328,553)	(962,001)
Net Increase (Decrease) in Cash and Cash Equivalents					
	\$ 230,658	\$ 86,257	\$ (36,505)	\$ 19,378	\$ 299,788
Cash and Cash Equivalents - Beginning of year	<u>423,618</u>	<u>129,756</u>	<u>760,400</u>	<u>1,661,755</u>	<u>2,975,529</u>
Cash and Cash Equivalents - End of year	<u>\$ 654,276</u>	<u>\$ 216,013</u>	<u>\$ 723,895</u>	<u>\$ 1,681,133</u>	<u>\$ 3,275,317</u>
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ 2,613,789	\$ 968,528	\$ 193,004	\$ 5,385,082	\$ 9,160,403
Restricted cash and investments	71,066	-	680,849	481,506	1,233,421
Less amounts classified as investments	(2,030,579)	(752,515)	(149,958)	(4,185,455)	(7,118,507)
Total cash and cash equivalents	<u>\$ 654,276</u>	<u>\$ 216,013</u>	<u>\$ 723,895</u>	<u>\$ 1,681,133</u>	<u>\$ 3,275,317</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows (Continued) Nonmajor Enterprise Funds Year Ended December 31, 2016

	Consolidated			Emergency Medical	Total
	Building	Parking Garage	Solid Waste	Services	
Reconciliation of Operating Loss to Net Cash from Operating Activities					
Operating income (loss)	\$ (1,474,103)	\$ 86,340	\$ (211,682)	\$ 670,299	\$ (929,146)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	152,174	216,069	597,745	504,835	1,470,823
Lease proceeds used for noncapital expenses	-	-	299,885	-	299,885
Changes in assets and liabilities:					
Receivables	50,943	(2,377)	(41,401)	166,336	173,501
Due from others	(30)	-	-	-	(30)
Accounts payable	(30,609)	(8,394)	151,498	52,931	165,426
Due to other governments	-	-	-	(58,956)	(58,956)
Performance deposit	(32,437)	-	-	-	(32,437)
Due to other funds	(9,020)	-	-	713	(8,307)
Accrued payroll payable	14,868	-	28,663	28,748	72,279
Compensated absences payable	(7,709)	-	(1,412)	98,783	89,662
Net cash (used in) provided by operating activities	<u>\$ (1,335,923)</u>	<u>\$ 291,638</u>	<u>\$ 823,296</u>	<u>\$ 1,463,689</u>	<u>\$ 1,242,700</u>
Noncash Investing, Capital, and Financing Activities					
Capital assets disposed (at cost)	\$ -	\$ -	\$ 1,726,743	\$ 93,165	\$ 1,819,908
Capital assets contributed	30,608	-	-	-	30,608
Accumulated depreciation on disposals of capital assets	-	-	(1,601,786)	(49,688)	(1,651,474)

City of South Bend, Indiana

Other Supplementary Information Internal Service Funds Fund Descriptions

Liability Insurance Premium Reserve - The Liability Insurance Premium Reserve fund accounts for expenses related to maintaining the City's self-funded liability insurance including administrative costs, claims, and premiums. Funding is provided by assessments to certain other City funds.

Self-Funded Employee Benefits - To account for employer and employees' contributions for a medical insurance plan.

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

Police Take Home Vehicle - To account for expenses associated with claims arising from use of program vehicles occurring while officers are not on duty. Funding is provided by officers participating in the program.

311 Call Center - To account for expenses of the City's innovation and technology department. Funding is provided by allocations and fees from various City departments.

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, 2016

	Liability					Unemployment		
	Insurance	Self-Funded	Central	Police Take	311 Call	Compensation		Total
	Premium	Employee	Services	Home Vehicle	Center	Insurance		
	Reserve	Benefits						
Assets								
Current assets:								
Cash and cash equivalents	\$ 1,025,772	\$ 1,520,029	\$ 341,546	\$ 167,616	\$ -	\$ 63,798		\$ 3,118,761
Investments	3,573,433	5,199,017	1,189,826	583,914	-	222,251		10,768,441
Receivables:								
Accounts	1,988	3,616	59,885	-	-	-		65,489
Interest	8,570	12,520	2,795	1,398	-	533		25,816
Due from other funds	-	-	9,911	-	68,833	-		78,744
Inventory	-	-	879,736	-	-	-		879,736
Prepaid expenses	195,538	-	7,178	-	-	-		202,716
Total current assets	4,805,301	6,735,182	2,490,877	752,928	68,833	286,582		15,139,703
Noncurrent assets:								
Restricted assets	-	-	1,100	-	-	-		1,100
Capital assets - Assets subject to depreciation	6,357	-	1,401,705	-	-	-		1,408,062
Total noncurrent assets	6,357	-	1,402,805	-	-	-		1,409,162
Total assets	4,811,658	6,735,182	3,893,682	752,928	68,833	286,582		16,548,865
Liabilities								
Current liabilities:								
Accounts payable	47,544	54,716	593,477	-	18	11,261		707,016
Due to other funds	-	2,083	1,005	-	1,200	-		4,288
Accrued liabilities and other:								
Accrued payroll payable	4,067	-	52,368	-	8,555	-		64,990
Accrued interest payable	-	-	83	-	-	-		83
Compensated absences	8,987	-	111,510	-	59,060	-		179,557
Claims payable	1,303,401	1,014,214	-	-	-	-		2,317,615
Capital leases	-	-	13,577	-	-	-		13,577
Total current liabilities	1,363,999	1,071,013	772,020	-	68,833	11,261		3,287,126
Noncurrent liabilities - Capital leases	-	-	45,579	-	-	-		45,579
Total liabilities	1,363,999	1,071,013	817,599	-	68,833	11,261		3,332,705
Deferred Inflows of Resources	-	-	-	-	-	-		-
Net Position								
Net investment in capital assets	6,357	-	1,342,549	-	-	-		1,348,906
Unrestricted	3,441,302	5,664,169	1,733,534	752,928	-	275,321		11,867,254
Total net position	\$ 3,447,659	\$ 5,664,169	\$ 3,076,083	\$ 752,928	\$ -	\$ 275,321		\$ 13,216,160

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, 2016

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	311 Call Center	Unemployment Compensation Insurance	Total
Operating Revenue							
Employee/employer contributions	\$ 2,223,480	\$ 18,139,945	\$ -	\$ 112,200	\$ 556,730	\$ 89,142	\$ 21,121,497
Charges for sales and services	-	-	7,371,837	-	-	-	7,371,837
Other	14,187	3,159	98,506	-	-	-	115,852
Total operating revenue	2,237,667	18,143,104	7,470,343	112,200	556,730	89,142	28,609,186
Operating Expenses							
Other operation and maintenance	-	1,241,978	7,195,576	7,033	556,730	70,312	9,071,629
Administration	820,000	212,044	133,584	-	-	7,284	1,172,912
Insurance claims and premiums	1,239,909	14,345,262	-	-	-	-	15,585,171
Depreciation	4,845	-	144,181	-	-	-	149,026
Total operating expenses	2,064,754	15,799,284	7,473,341	7,033	556,730	77,596	25,978,738
Operating (Loss) Income	172,913	2,343,820	(2,998)	105,167	-	11,546	2,630,448
Nonoperating Revenue (Expenses)							
Investment income	42,319	50,068	11,014	6,298	-	2,575	112,274
Loss on sale of assets	(4,330)	-	-	-	-	-	(4,330)
Debt service charge	-	-	(272)	-	-	-	(272)
Total nonoperating revenue (expenses)	37,989	50,068	10,742	6,298	-	2,575	107,672
Change in Net Position	210,902	2,393,888	7,744	111,465	-	14,121	2,738,120
Net Position - Beginning of year	3,236,757	3,270,281	3,068,339	641,463	-	261,200	10,478,040
Net Position - End of year	<u>\$ 3,447,659</u>	<u>\$ 5,664,169</u>	<u>\$ 3,076,083</u>	<u>\$ 752,928</u>	<u>\$ -</u>	<u>\$ 275,321</u>	<u>\$13,216,160</u>

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2016

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	311 Call Center	Unemployment Compensation Insurance	Total
Cash Flow from Operating Activities							
Receipts from customers and users	\$ 14,188	\$ 5,071,383	\$ 55,553	\$ 112,200	\$ -	\$ -	\$ 5,253,324
Receipts from interfund services and reimbursements	2,221,491	13,071,164	7,390,469	-	487,897	89,142	23,260,163
Payments to suppliers	(1,945,898)	(15,830,459)	(4,452,060)	(7,086)	(29,858)	(67,152)	(22,332,513)
Payments to employees	(212,766)	-	(2,604,598)	-	(457,343)	-	(3,274,707)
Internal activity - Payments to other funds	(38,040)	-	(133,039)	-	(696)	(7,284)	(179,059)
Net cash (used in) provided by operating activities	38,975	2,312,088	256,325	105,114	-	14,706	2,727,208
Cash Flows from Capital and Related Financing Activities							
Purchase of capital assets	-	-	(241,192)	-	-	-	(241,192)
Principal paid on capital debt	-	-	(10,487)	-	-	-	(10,487)
Interest paid on capital debt	-	-	(313)	-	-	-	(313)
Net cash used in capital and related financing activities	-	-	(251,992)	-	-	-	(251,992)
Cash Flows from Investment Activities							
Interest received on investments	40,948	44,498	10,611	5,919	-	2,470	104,446
Proceeds from sale and maturities of investment securities	29,078	(1,742,336)	18,983	(73,347)	-	(7,921)	(1,775,543)
Net cash provided by (used in) investing activities	70,026	(1,697,838)	29,594	(67,428)	-	(5,451)	(1,671,097)
Net (Decrease) Increase in Cash and Cash Equivalents	109,001	614,250	33,927	37,686	-	9,255	804,119
Cash and Cash Equivalents - Beginning of year	916,771	905,779	308,719	129,930	-	54,543	2,315,742
Cash and Cash Equivalents - End of year	\$ 1,025,772	\$ 1,520,029	\$ 342,646	\$ 167,616	\$ -	\$ 63,798	\$ 3,119,861
Balance Sheet Classification of Cash and Cash Equivalents							
Cash and investments	\$ 4,599,205	\$ 6,719,046	\$ 1,531,372	\$ 751,530	\$ -	\$ 286,049	\$ 13,887,202
Restricted cash	-	-	1,100	-	-	-	1,100
Less amounts classified as investments	(3,573,433)	(5,199,017)	(1,189,826)	(583,914)	-	(222,251)	(10,768,441)
Total cash and cash equivalents	\$ 1,025,772	\$ 1,520,029	\$ 342,646	\$ 167,616	\$ -	\$ 63,798	\$ 3,119,861

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Cash Flows (Continued) Internal Service Funds Year Ended December 31, 2016

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	311 Call Center	Unemployment Compensation Insurance	Total
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities							
Operating (loss) income	\$ 172,913	\$ 2,343,820	\$ (2,998)	\$ 105,167	\$ -	\$ 11,546	\$ 2,630,448
Adjustments to reconcile operating (loss) income to net cash from operating activities:							
Depreciation and amortization	4,845	-	144,181	-	-	-	149,026
Lease proceeds used for noncapital expenses	-	-	43,938	-	-	-	43,938
Changes in assets and liabilities:							
Receivables	(1,989)	(556)	(18,582)	-	-	-	(21,127)
Due from other funds	-	-	(5,739)	-	(68,833)	-	(74,572)
Inventory	-	-	(28,250)	-	-	-	(28,250)
Prepaid expenses and other assets	7,949	-	(1,012)	-	-	-	6,937
Accounts payable	27,485	54,716	104,443	(53)	18	3,160	189,769
Due to other funds	-	(2,330)	545	-	1,200	-	(585)
Accrued payroll payable	1,641	-	21,535	-	8,556	-	31,732
Compensated absences payable	(1,002)	-	(1,736)	-	59,059	-	56,321
Estimate of unfilled claims	(172,867)	(83,562)	-	-	-	-	(256,429)
Net cash (used in) provided by operating activities	<u>\$ 38,975</u>	<u>\$ 2,312,088</u>	<u>\$ 256,325</u>	<u>\$ 105,114</u>	<u>\$ -</u>	<u>\$ 14,706</u>	<u>\$ 2,727,208</u>
Noncash Investing, Capital, and Financing Activities							
Capital assets disposed (at cost)	\$ 21,650	\$ -	\$ 23,653	\$ -	\$ -	\$ -	\$ 45,303
Accumulated depreciation on disposal of capital assets	(17,320)	-	(23,653)	-	-	-	(40,973)

City of South Bend, Indiana

Other Supplementary Information Fiduciary Funds Fund Descriptions

Pension Trust Funds

1925 Police Pension - To account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members and state pension relief distributions.

1937 Firefighters' Pension - To account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members and state pension relief distributions.

Agency Funds

Payroll - To account for the payroll of City employees and pension benefits of the Police and Firefighters' Pension Funds. Gross payroll and pension benefits are treated as expenditures in other City funds and transferred into this fund, which serves as a clearing account.

Morris Palais Royale Box Office - To account for Morris Performing Arts 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, Indiana

Other Supplementary Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2016

	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
Assets							
Cash and cash equivalents	\$ 176,455	\$ 37,308	\$ 213,763	\$ 420,885	\$ 1,692,774	\$ 817,116	\$ 2,930,775
Investments	614,707	129,970	744,677	-	-	-	-
Receivables - Interest	1,521	349	1,870	-	-	-	-
Other receivables	1,267	-	1,267	-	-	-	-
Total assets	\$ 793,950	\$ 167,627	\$ 961,577	\$ 420,885	\$ 1,692,774	\$ 817,116	\$ 2,930,775
Liabilities							
Accounts payable	\$ 92	\$ 78	\$ 170	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and other	-	355	355	420,885	-	-	420,885
Customer deposits payable	-	-	-	-	1,692,774	-	1,692,774
Police distribution payable	-	-	-	-	-	817,116	817,116
Total liabilities	\$ 92	\$ 433	\$ 525	\$ 420,885	\$ 1,692,774	\$ 817,116	\$ 2,930,775
Net Position	\$ 793,858	\$ 167,194	\$ 961,052				

City of South Bend, Indiana

Other Supplementary Information Combining Statement of Changes in Fiduciary Net Position Pension Trust Funds Year Ended December 31, 2016

	1925 Police Pension	1937 Firefighters' Pension	Total
Additions			
Investment income - Interest and dividends	\$ 6,713	\$ 2,852	\$ 9,565
Contributions:			
On behalf	5,991,750	4,866,271	10,858,021
Other	15,749	6,279	22,028
Net contributions	<u>6,007,499</u>	<u>4,872,550</u>	<u>10,880,049</u>
Total additions	6,014,212	4,875,402	10,889,614
Deductions			
Benefit payments	6,364,237	5,165,758	11,529,995
Administrative expenses	13,550	14,485	28,035
Total deductions	<u>6,377,787</u>	<u>5,180,243</u>	<u>11,558,030</u>
Net Increase (Decrease) in Net Position Held in Trust	(363,575)	(304,841)	(668,416)
Net Position - Beginning of year	<u>1,157,433</u>	<u>472,035</u>	<u>1,629,468</u>
Net Position - End of year	<u>\$ 793,858</u>	<u>\$ 167,194</u>	<u>\$ 961,052</u>

City of South Bend, Indiana

Other Supplementary Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2016

	Balance at January 1, 2016	Additions	Reductions	Balance at December 31, 2016
<u>Payroll</u>				
Assets - Cash and investments	\$ 412,690	\$ 104,634,503	\$ (104,626,308)	\$ 420,885
Liabilities - Accrued liabilities and other	\$ 412,690	\$ 104,634,503	\$ (104,626,308)	\$ 420,885
	Balance at January 1, 2016	Additions	Reductions	Balance at December 31, 2016
<u>Morris Palais Royale Box Office</u>				
Assets - Cash and cash equivalents	\$ 1,504,458	\$ 3,305,191	\$ (3,116,875)	\$ 1,692,774
Liabilities - Customer deposits payable	\$ 1,504,458	\$ 3,305,191	\$ (3,116,875)	\$ 1,692,774
	Balance at January 1, 2016	Additions	Reductions	Balance at December 31, 2016
<u>Police Distribution Payable</u>				
Assets - Cash and cash equivalents	\$ 835,108	\$ 23,924	\$ (41,916)	\$ 817,116
Liabilities - Police distribution payable	\$ 835,108	\$ 23,924	\$ (41,916)	\$ 817,116

Statistical Section

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

The statistical section is organized into the following main categories:

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

Financial Trends

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

City of South Bend, Indiana

Statistical Section Net Position by Component Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015 (1)	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 161,341,318
Restricted	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	8,669,117
Unrestricted	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)	(7,327,797)
Total governmental activities net position	\$ 253,155,810	\$ 246,041,948	\$ 274,186,457	\$ 292,151,758	\$ 287,891,667	\$ 282,822,829	\$ 286,593,845	\$ 158,417,429	\$ 140,859,895	\$ 162,682,638
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 145,288,974
Restricted	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	31,963,852
Unrestricted	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	25,357,665
Total business-type activities net position	\$ 136,261,490	\$ 142,545,786	\$ 146,280,120	\$ 154,691,254	\$ 162,134,622	\$ 169,411,367	\$ 170,680,174	\$ 185,698,840	\$ 194,811,413	\$ 202,610,491
Primary government										
Invested in capital assets, net of related debt	\$ 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	\$ 306,630,292
Restricted	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	40,632,969
Unrestricted	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)	18,029,868
Total primary government net position	\$ 389,417,300	\$ 388,587,734	\$ 420,466,577	\$ 446,843,012	\$ 450,026,289	\$ 452,234,196	\$ 457,274,019	\$ 344,116,269	\$ 335,671,308	\$ 365,293,129

(1) 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.

Source - City of South Bend Comprehensive Annual Financial Reports (includes prior period adjustments)

City of South Bend, Indiana

Statistical Section Changes in Net Position Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General Government	\$ (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)	\$ (15,618,817)
Public Safety	(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)	(55,029,909)
Highways and Streets	(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)	(13,550,535)
Health and Welfare	(75,000)	(75,000)	-	-	-	-	-	-	-	-
Community and Economic Development	(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)	(28,436,368)
Culture and Recreation	(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)	(17,156,094)
Bond Issuance Costs	-	-	-	-	-	-	-	-	(372,432)	-
Interest on Long-Term Debt	(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)	(4,727,630)
Total governmental activities expenses	\$(124,932,023)	\$(135,039,863)	\$(104,113,362)	\$(134,015,143)	\$(154,902,096)	\$(146,481,687)	\$(153,017,817)	\$(139,909,059)	\$(164,310,194)	\$(134,519,353)
Business-type activities:										
Water	\$ (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)	\$ (14,900,039)
Wastewater	(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)	(26,420,526)
Century Center	(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)	(5,364,472)
Consolidated Building Department (1)	(1,090,327)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)	(3,240,172)
Parking Garage	(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)	(909,857)
Solid Waste	(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)	(5,794,913)
Blackthorn Golf Course	(1,811,801)	(1,829,122)	(1,881,982)	(1,995,556)	(1,689,042)	(1,841,998)	(1,497,513)	(1,874,962)	(165,977)	-
Emergency Medical Services (2)	-	-	-	-	-	-	-	-	(6,596,206)	(7,437,349)
Total business-type activities net expenses	(43,266,850)	(48,780,128)	(51,623,898)	(45,486,515)	(46,323,473)	(48,559,092)	(54,949,283)	(55,879,605)	(61,899,676)	(64,067,328)
Total primary government net position	\$(168,198,873)	\$(183,819,991)	\$(155,737,260)	\$(179,501,658)	\$(201,225,569)	\$(195,040,779)	\$(207,967,100)	\$(195,788,664)	\$(226,209,870)	\$(198,586,681)

City of South Bend, Indiana

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 1,622,788
Public Safety	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	975,712
Highways and Streets	-	-	5,152	28,110	227,000	291,840	451,363	728,343	676,429	707,547
Community and Economic Develop.	604,873	636,722	332,454	283,420	683,503	271,366	444,839	485,938	408,654	481,293
Culture and Recreation	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	4,383,977
Operating Grants and Contributions	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	2,644,272
Capital Grants and Contributions	960,502	1,176,783	780,137	1,472,233	2,328,468	2,468,120	1,867,213	-	-	-
Total governmental activities program revenues	\$ 33,032,264	\$ 30,153,661	\$ 30,288,740	\$ 48,127,612	\$ 45,273,337	\$ 40,372,750	\$ 36,492,193	\$ 14,677,672	\$ 9,342,840	\$ 10,815,589
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 15,091,372
Wastewater	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	39,061,562
Century Center	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	4,796,676
Consolidated Building Department	1,078,258	1,169,788	977,050	875,481	899,397	1,000,381	967,667	1,387,571	2,037,950	1,764,100
Parking Garage	861,307	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868	1,017,218	968,417	996,197
Solid Waste	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	5,839,143
Blackthorn Golf Course	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	7,921,172
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	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	649,609
Total business-type activities program revenues	48,950,713	51,085,304	54,440,880	53,102,000	58,868,315	59,429,986	60,604,915	59,954,140	74,680,710	76,119,831
Total primary government program revenues	\$ 81,982,977	\$ 81,238,965	\$ 84,729,620	\$ 101,229,612	\$ 104,141,652	\$ 99,802,736	\$ 97,097,108	\$ 74,631,812	\$ 84,023,550	\$ 86,935,420
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (123,703,764)
Business-type activities	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	12,052,503
Total primary government net expense	\$(101,837,014)	\$(74,498,295)	\$(94,772,038)	\$(99,995,957)	\$ 104,141,652	\$(95,238,043)	\$(110,869,992)	\$(121,156,852)	\$(142,186,320)	\$(111,651,261)

City of South Bend, Indiana

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 76,331,581
County Option Income Tax	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	21,194,795
Economic Develop. Income Tax	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	9,594,602
Professional Sports Develop. Tax	435,791	453,268	522,788	597,406	558,268	633,904	649,996	588,054	628,261	673,787
Community Revitalization District Tax	1,000,000	955,315	605,623	416,149	733,100	653,185	244,623	-	-	-
Unrestricted Grants and Contributions	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	25,846,397
Unrestricted Investment earnings	6,247,113	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270	951,901	1,322,674	1,458,787
Other	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	6,745,542
Loss on Sale of Redevelopment Properties	-	-	-	-	-	-	-	-	-	-
Net Pension Obligation	-	-	-	-	-	-	-	-	-	-
Transfers	3,735	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415	3,681,016
Total governmental activities	\$ 106,610,281	\$ 99,788,894	\$ 100,409,357	\$ 104,895,983	\$ 110,540,547	\$ 110,848,493	\$ 120,296,641	\$ 129,122,122	\$ 137,410,000	\$ 145,526,507
Business-type activities:										
Unrestricted Investment earnings	\$ 1,301,348	\$ 1,514,287	\$ 271,360	\$ 146,826	\$ 206,409	\$ 285,572	\$ 138,362	\$ 128,168	\$ 358,918	\$ 570,982
Other	-	-	-	-	-	-	-	1,501,664	-	-
Transfers	(3,735)	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)	683,049	(2,846,415)	(3,681,016)
Total business-type activities	1,297,613	1,479,317	917,352	795,649	(2,834,767)	(3,594,149)	(4,386,825)	2,312,881	(2,487,497)	(3,110,034)
Total primary government	\$ 107,907,894	\$ 101,268,211	\$ 101,326,709	\$ 105,691,632	\$ 107,705,780	\$ 107,254,344	\$ 115,909,816	\$ 131,435,003	\$ 134,922,503	\$ 142,416,473
Special Item (Governmental activities):										
Well field contamination settlement	\$ -	\$ 4,462,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of operations	-	-	-	-	-	-	-	-	(1,180,964)	-
Change in Net Position										
Governmental activities	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)	21,822,743
Business-type activities	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	7,799,078
Total primary government	\$ 33,409,599	\$ 10,958,387	\$ 1,330,752	\$ 209,833,284	\$ 10,621,863	\$ 12,016,301	\$ 5,039,823	\$ 10,278,151	\$ (8,444,781)	\$ 29,621,821

Excludes prior period adjustments

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 & 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.

Source : City of South Bend Comprehensive Annual Financial Reports

City of South Bend, Indiana

Statistical Section Fund Balances - Governmental Funds Last Ten Fiscal Years

	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 2,213,970	\$ 3,245,271	\$ 1,516,159	\$ 1,824,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,546,783	24,171,313	23,102,296	26,912,688	-	-	-	-	-	-
Nonspendable	-	-	-	-	1,115,025	958,341	656,848	558,304	491,665	494,730
Restricted	-	-	-	-	327,267	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	255,287	165,389	516,506	-	466,088	1,380,036
Unassigned	-	-	-	-	26,233,637	27,671,353	26,495,559	27,029,101	29,664,303	32,077,856
Total - General Fund	\$ 23,760,753	\$ 27,416,584	\$ 24,618,455	\$ 28,737,142	\$ 27,931,216	\$ 28,795,083	\$ 27,668,913	\$ 27,587,405	\$ 30,622,056	\$ 33,952,622
Other Governmental Funds										
Reserved	\$ 36,374,517	\$ 60,213,915	\$ 56,819,802	\$ 62,230,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	25,703,180	32,054,329	36,398,024	31,996,398	-	-	-	-	-	-
Capital projects funds	66,593,906	87,571,056	78,214,132	85,237,947	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	37,036,839	37,706,861	22,828,476	20,537,450	27,042,236	23,566,267
Restricted	-	-	-	-	44,754,037	78,326,567	95,387,879	100,501,274	113,004,506	101,826,640
Committed	-	-	-	-	11,829,074	11,142,045	20,697,026	12,962,745	2,238,475	2,698,694
Assigned	-	-	-	-	77,460,284	35,180,652	35,455,190	35,147,874	32,138,059	31,998,790
Unassigned	-	-	-	-	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)	(4,218,596)	(2,301,793)
Total - Other Governmental Funds	128,671,603	179,839,300	171,431,958	179,464,574	168,302,860	158,137,059	169,516,402	163,448,514	170,204,680	157,788,598
Grand Total - Governmental Funds	\$ 152,432,356	\$ 207,255,884	\$ 196,050,413	\$ 208,201,716	\$ 196,234,076	\$ 186,932,142	\$ 197,185,315	\$ 191,035,919	\$ 200,826,736	\$ 191,741,220

(1) - The City of South Bend adopted Statement No. 54 of the Governmental Accounting Standards Board requiring new classifications for Fund Balance reporting for fiscal year 2011.

Source: City of South Bend Comprehensive Annual Financial Reports

City of South Bend, Indiana

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 107,861,553
Licenses, fees and permits	173,604	177,329	206,594	192,397	190,943	189,714	177,019	141,565	151,923	224,677
Fines and forfeits	437,732	412,707	423,981	409,775	636,749	334,767	660,841	563,999	454,327	756,781
Charges for services	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	7,062,108
Intergovernmental	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	27,959,813
Investment earnings	6,248,605	4,962,768	859,135	868,023	1,050,768	1,317,443	762,270	955,376	1,253,242	1,624,527
Other revenues	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	7,179,959
Total revenues	137,826,642	139,717,856	130,932,134	158,342,276	152,877,172	147,379,084	151,152,474	144,489,791	142,719,826	152,669,418
Expenditures										
General government	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	16,311,633
Public Safety	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	64,350,281
Highways and Streets	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	11,294,768
Health and Welfare	75,000	75,000	-	-	-	-	-	-	-	-
Community and Economic Development	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	20,894,153
Culture and Recreation	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	13,070,606
Capital Outlay	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	27,056,295
Bond Issuance Costs	-	-	-	-	-	-	-	-	372,432	-
Debt Service										
Interest and Fiscal Charges	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	4,943,021
Principal	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	13,055,327
Total expenditures	128,209,220	138,022,795	142,962,710	150,758,014	172,397,679	162,460,000	152,860,750	154,300,097	172,658,733	170,976,084
Excess of revenues over (under) expenditures	9,617,422	1,695,061	(12,030,576)	7,584,262	(19,520,507)	(15,080,916)	(1,708,276)	(9,810,306)	(29,938,907)	(18,306,666)
Other Financing Sources (Uses)										
Proceeds from debt issuance	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	4,999,053
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	-	-	(7,591,171)	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)	-
Financing By Capital Lease	-	-	-	-	-	-	-	-	-	-
Transfers in	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	19,541,050
Transfers out	(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)	(15,860,034)
Other	-	-	-	-	-	-	-	28,476	1,235,744	541,081
Total other financing sources (uses)	2,924,022	47,283,964	825,105	4,567,041	7,552,867	9,758,835	11,961,449	7,111,663	39,729,724	9,221,150
Special Item:										
Well field contamination settlement	-	-	4,462,214	-	-	-	-	-	-	-
Net change in fund balances	\$ 12,541,444	\$ 48,979,025	\$ (6,743,257)	\$ 12,151,303	\$ (11,967,640)	\$ (5,322,081)	\$ 10,253,173	\$ (2,698,643)	\$ 9,790,817	\$ (9,085,516)
Debt service as a percentage of noncapital expenditures (1)	11.4%	12.1%	17.6%	15.4%	13.8%	12.9%	13.4%	13.5%	11.6%	12.7%

Excludes prior period adjustments

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

Source: City of South Bend Comprehensive Annual Financial Reports

Revenue Capacity

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

City of South Bend, Indiana

Statistical Section Property Taxes Levies and Collections Last Ten Fiscal Years

Tax Year/ Collection Year	Per DLGF Current Tax Levy	Estimated Circuit Breaker Levy Reduction	Adjusted Current Tax Levy (County Abstract)	Current Tax Collections	Current Tax Collections as a Percent of Adjusted Tax Levy	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as a Percent of Adjusted Tax Levy	(1) Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Adjusted Tax Levy
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%
2015/2016	78,503,658	29,601,193	48,902,465	43,806,020	89.58%	3,900,000	47,706,020	97.55%	7,468,597	15.27%

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 and 2015/2016

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).

City of South Bend, Indiana

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

Tax Year/ Collection Year	City Direct Rates						Overlapping Rates (3)						
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)	Total Overlapping	Grand Total
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
2015/2016	2.8703	0.5754	-	-	0.0321	3.4778	0.6974	1.2682	0.0512	0.3549	0.2224	2.5941	6.0719

(1) Includes State of Indiana, Redevelopment Commission (Hall of Fame), South Bend Transportation and South Bend Regional Airport.

(2) Firefighters' Pension and Police Pension are no longer a 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.

Source: St. Joseph County Auditor's Office - Certified Tax Rate Schedules - Rates presented for Portage Township in South Bend

City of South Bend, Indiana

Statistical Section Detail of Net Assessed Valuation (Assessment for the Year 2015 Payable in 2016)

	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	\$ 113,044,900	\$ 25,694,900	\$ 68,785,300	\$ 17,284,300	\$ 2,104,100	\$ 384,981,200	\$ 611,894,700	
Value of improvements	463,743,700	119,282,800	405,976,800	84,929,200	21,312,100	2,492,146,100	3,587,390,700	
Total value of real estate	576,788,600	144,977,700	474,762,100	102,213,500	23,416,200	2,877,127,300	4,199,285,400	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(229,648,816)	(33,997,865)	(83,846,231)	(27,546,982)	-	(906,401,724)	(1,281,441,618)	
Tax-exempt property	(45,968,895)	(8,261,007)	(27,071,020)	(9,208,300)	-	(338,693,528)	(429,202,750)	
Investment Deduction	-	-	-	-	-	(2,019,600)	(2,019,600)	
Tax increment financing	(55,724,019)	(8,522,563)	(245,396,348)	-	(22,919,380)	(385,503,839)	(718,066,149)	
Tax abatements	(1,357,410)	-	(13,249,252)	(1,308,285)	(496,820)	(15,106,900)	(31,518,667)	
Net value of real estate	244,089,460	94,196,265	105,199,249	64,149,933	-	1,229,401,709	1,737,036,616	76.28%
Gross personal property assessments	29,923,790	9,152,410	177,012,280	2,685,960	6,624,140	378,471,460	603,870,040	
Less: Tax abatements:	(1,479,750)	-	(19,974,281)	-	-	(11,257,467)	(32,711,498)	
Tax-exempt property	(1,973,538)	(157,540)	(4,351,951)	(1,249,150)	-	(84,620,194)	(92,352,373)	
Investment deduction	-	-	-	-	-	(22,459,972)	(22,459,972)	
Tax increment financing	-	-	-	-	-	-	-	
Net value of personal property	26,470,502	8,994,870	152,686,048	1,436,810	6,624,140	260,133,827	456,346,197	20.04%
Net value of utilities	9,055,170	3,638,650	6,557,830	1,068,960	305,530	63,160,790	83,786,930	3.68%
Total net assessed valuation	\$ 279,615,132	\$ 106,829,785	\$ 264,443,127	\$ 66,655,703	\$ 6,929,670	\$ 1,552,696,326	\$ 2,277,169,743	100.00%
Percentage of Total	12.28%	4.69%	11.61%	2.93%	0.30%	68.19%	100.00%	

Summary

	Real Property	Personal Property/ Utilities	Total	Percent
Total value	\$ 4,199,285,400	\$ 687,656,970	\$ 4,886,942,370	100.00%
Deductions & exemptions	(1,283,461,218)	(22,459,972)	(1,305,921,190)	-26.72%
Tax exempt property	(429,202,750)	(92,352,373)	(521,555,123)	-10.67%
Tax increment financing	(718,066,149)	-	(718,066,149)	-14.69%
Tax abatements	(31,518,667)	(32,711,498)	(64,230,165)	-1.31%
				0
Total net assessed valuation	\$ 1,737,036,616	\$ 540,133,127	\$ 2,277,169,743	46.60%
Percent	76.28%	23.72%	100.00%	

Source: St. Joseph County Auditor's Office - Information from the County Abstract prepared by the Indiana Department of Local Government Finance

City of South Bend, Indiana

Statistical Section Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values				Less: Non-Taxed Property (1)	Total Net Taxable Value	(2) City Tax Rate	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value				
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%
2015/2016	4,199,285,400	603,870,040	83,786,930	4,886,942,370	2,609,772,627	2,277,169,743	3.4778	46.60%

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

(2) City tax rate excludes Redevelopment Commission (Hall of Fame) tax rate.

Source: St. Joseph County Auditor's Office

City of South Bend, Indiana

Statistical Section Net Assessed Value of Taxable Property Last Ten Fiscal Years

Tax Year/ Collection Year	Real Estate Net Assessed Value	Personal Net Assessed Value	Utilities Net Assessed Value	Total Net Assessed Value	Percent Change
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%
2015/2016	1,737,036,616	456,346,197	83,786,930	2,277,169,743	0.75%

Source: St. Joseph County Auditor's office

City of South Bend, Indiana

Statistical Section Assessed Value of Taxable Property Last Ten Years

Tax Year/ Collection Year	Total Gross Valuation	Deductions (1)	Tax Exempt Property	Tax Increment Financing	Tax Abatements	Assessed Valuation
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
2015/2016	4,886,942,370	(1,305,921,190)	(521,555,123)	(718,066,149)	(64,230,165)	2,277,169,743

(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.

2016 Deductions	2013/2014	2014/2015	2015/2016
Homestead Standard Deduction	\$ 865,700,222	\$ 814,820,960	\$ 820,420,116
Supplemental Standard Deduction	370,952,895	368,795,377	375,610,821
Mortgage Deduction	46,396,568	44,358,618	42,985,922
Veteran's Deduction	10,105,601	11,027,128	11,784,608
Age 65 and Over Deduction	27,283,686	25,146,428	24,608,600
Energy Systems Deduction	403,600	403,400	388,200
Blind & Disabled Deduction	6,245,808	5,714,123	5,643,351
Investment Deduction	17,614,396	22,657,069	24,479,572
Total	\$ 1,344,702,776	\$ 1,292,923,103	\$ 1,305,921,190

Source: St. Joseph County Auditor's Office Abstract

City of South Bend, Indiana

Statistical Section Property Tax Collections - Cash Basis Last Ten Years

Fund Name	Fund Number	2007 Actual	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual
General Fund	101	\$ 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	\$ 39,362,139
Excess Levy	103	-	-	-	-	-	-	-	3,648	-	-
Parks & Recreation	201	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	7,902,995
Redevelopment Bonds Studebaker Corridor	310	11,590	-	-	-	-	-	-	-	-	-
College Football Hall of Fame Debt Service	313	1,127,140	360,682	2,362,057	1,488,453	1,549,954	1,133,205	1,268,179	497,768	906,263	1,361,512
River West TIF District (1)	324	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	18,159,311
Cumulative Capital Development	406	989,824	291,600	1,420,833	587,063	540,454	517,710	463,331	430,786	428,727	440,887
Sample-Ewing TIF District (1)	414	778,093	-	-	-	-	-	-	-	-	-
South Bend Central Development Area TIF (1)	420	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	422	287,095	1,785	358,844	860,049	431,085	422,715	493,608	580,987	402,911	453,503
Central Medical Service Area TIF District (1)	426	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	429	13,468	-	22,191	195,400	715,063	1,351,048	841,627	1,568,240	2,421,308	2,348,608
Southside Development Area TIF District	430	457,985	1,756	355,596	4,094,135	1,808,952	2,466,203	2,404,416	2,379,212	2,205,822	2,401,252
Erskine Commons TIF District (5)	431	2,891	10	1,240,184	5,978,592	784,373	-	-	-	-	-
Erskine Village TIF District	432	775,622	2,713	1,531,403	3,759,287	1,603,182	-	1,311,129	9,175	19,183	-
Douglas Road TIF District	435	13,941	-	125,294	460,760	306,053	285,713	323,939	321,895	270,758	345,262
River East (Northeast) Residential TIF	436	-	-	-	1,815,829	2,446,103	2,514,048	2,262,765	2,725,909	3,129,681	3,932,947
Airport Urban Enterprise	454	-	-	-	301,430	123,165	111,721	-	-	-	-
Fire Department Employees Pension (4)	701	1,536,839	462,375	1,437,539	(5,867)	-	-	-	-	-	-
Police Department Employees Pension (4)	702	1,380,555	425,760	1,609,905	(9,479)	-	-	-	-	-	-
Total		\$ 77,422,869	\$ 18,631,151	\$ 119,144,153	\$ 98,267,940	\$ 72,962,173	\$ 72,904,530	\$ 69,980,289	\$ 72,037,669	\$ 70,914,834	\$ 76,708,415

(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.

Source - City of South Bend Accounting Records

City of South Bend, Indiana

Statistical Section 2016 Circuit Breaker Property Tax Cap Credits

Taxing Unit Name	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total Credits
City of South Bend (101,168 population)					
South Bend Civil City	\$ 6,885,004	\$ 13,440,283	\$ 10,511,372	\$ 27,447	\$ 30,864,106
Hall of Fame Bond	-	-	-	517	517
TIF - SB So. #1 Centre	466	40,808	1,006,493	-	1,047,767
TIF - SB So. #3 Centre	-	-	-	-	-
TIF - Douglas Road EDA	-	2,805	150,459	-	153,264
TIF - River East Clay	-	-	7,888	-	7,888
TIF - River West German	943	26,821	4,365,966	-	4,393,730
TIF - SB West Washington	7,335	19,588	207,924	33	234,880
TIF - SB So. #1 Portage	488	51,153	49,876	-	101,517
TIF - River West Portage	7,972	141,500	3,360,009	14	3,509,495
TIF - River West Warren	-	-	418,199	-	418,199
TIF - River East Portage	52,760	3,381,637	1,220,798	-	4,655,195
Total Credits	\$ 6,954,968	\$ 17,104,595	\$ 21,298,984	\$ 28,011	\$ 45,386,558
Per Capita Credits	68.75	169.07	210.53	0.28	448.63
Percent of Total	15.32%	37.69%	46.93%	0.06%	100.00%

Selected Benchmark Local Governments

Local Unit	Total Credits	2010 Population	Per Capita Credits
South Bend Civil City	\$ 30,864,106	101,168	\$ 305.08
Anderson Civil City	10,793,958	56,120	192.34
East Chicago Civil City	5,522,802	29,698	185.97
Elkhart Civil City	8,622,616	50,949	169.24
Evansville Civil City	10,336,843	117,429	88.03
Fort Wayne Civil City	18,991,799	253,691	74.86
Gary Civil City	31,073,139	80,294	386.99
Goshen Civil City	3,910,981	31,719	123.30
Hammond Civil City	5,955,835	80,830	73.68
Jeffersonville Civil City	4,483,131	44,953	99.73
Kokomo Civil City	9,387,327	45,468	206.46
Lafayette Civil City	1,505,375	61,140	24.62
Laporte Civil City	2,608,666	22,053	118.29
Mishawka Civil City	4,934,350	48,252	102.26
Muncie Civil City	14,743,105	70,085	210.36
Noblesville Civil City	3,559,290	51,969	68.49
Saint Joseph County	7,711,191	266,931	28.89
South Bend School Corporation	6,749,172	101,168	66.71
Terre Haute Civil City	11,033,916	60,785	181.52

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 20, 2016 (www.iga.in.gov).
County Property Tax Studies, Saint Joseph County, Property Tax Changes in Saint Joseph County between 2015 and 2016. Prepared by the Legislative Services Agency, October 2016. (www.iga.in.gov).
U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov>). 2016 information not available.

City of South Bend, Indiana

Statistical Section Principal Property Taxpayers - Current and Nine Years Ago December 31, 2016

Taxpayer	Type of Business	2016 Net Assessed Value (1)	Rank	Percent of Total	2007 Net Assessed Value (2)	Rank	Percent of Total
University of Notre Dame	Higher Education	\$ 67,721,886	1	2.97 %	\$ -		
Indiana Michigan Power Company - AEP	Utility	43,036,800	2	1.89	-		
Indiana Bell - AT&T Inc.	Telecommunications	38,932,800	3	1.71	-		
Edward Rose of Indiana	Apartments and Real Estate	35,765,900	4	1.57	40,395,200	1	1.34 %
Honeywell International, Inc.	Airplane and Auto Parts	35,556,856	5	1.56	10,667,762	10	0.35
Noble Americas South Bend Ethanol	Ethanol Plant	29,356,330	6	1.29	-		
NIPSCO	Utility	23,637,610	7	1.04	-		
The Tire Rack	Automotive Parts	21,331,282	8	0.94	-		
Federal-Mogul Powertrain Systems	Automotive Parts	21,140,459	9	0.93	-		
MRES Castle Point Holdings LLC	Commercial Real Estate	20,254,800	10	0.89	-		
Beacon Health Systems (Memorial Hospital)	Healthcare	-			23,015,350	2	0.76
Park Jefferson Realty	Apartments and Real Estate	-			22,682,900	3	0.75
Maple Lane Apartments	Apartments and Real Estate	-			15,850,600	4	0.52
Mariott Hotel	Hotel	-			15,565,600	5	0.52
Crest Net Lease, Inc.	Apartments and Real Estate	-			13,967,830	6	0.46
1st Source Bank	Financial Institution	-			13,763,900	7	0.46
Dwellco II Limited Partnership	Apartments and Real Estate	-			11,953,000	8	0.40
Amico Turtle Creek	Apartments and Real Estate	-			11,817,600	9	0.39
Total Net Assessed Value - Ten Largest Taxpayers		\$ 336,734,723		14.79 %	\$ 179,679,742		5.95 %
Total Net Assessed Value (3)		\$ 2,277,169,743		100.00 %	\$ 3,022,357,147		100.00 %

Source:

- (1) Crowe Horwath LLP
- (2) 2007 Comprehensive Annual Financial Report
- (3) St. Joseph County Auditor

City of South Bend, Indiana

Statistical Section Local Option Income Tax Revenue Last Ten Years

COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT) REVENUE

Distribution Year	EDIT (1) Tax Rate	Total Est County EDIT Collections	Rate of Growth	South Bend EDIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
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 (3)	0.40%	18,826,685	-17.39%	7,300,866	-12.27%	38.78%	7,300,866
2012 (4)	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
2016	0.40%	23,733,626	2.83%	9,594,602	4.50%	40.43%	9,594,602
Total		<u>\$182,388,143</u>		<u>\$72,010,264</u>		<u>39.48%</u>	<u>\$72,754,423</u>

(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) In 2011, the State of Indiana underpaid due to an accounting error.

(4) The City's 2012 CEDIT distribution included \$744,159, the amount the State of Indiana underpaid the City in 2011.

**Source - State of Department of Local Government Finance CEDIT Distribution Reports
City of South Bend Accounting Records**

City of South Bend, Indiana

Statistical Section Local Option Income Tax Revenue Last Ten Years

COUNTY OPTION INCOME TAX (COIT) REVENUE

<u>Distribution Year</u>	<u>COIT Tax Rate (1)</u>	<u>Total County COIT Distributions</u>	<u>Rate of Growth</u>	<u>South Bend COIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
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	(2) 0.60%	19,907,430	-20.84%	6,458,586	-17.79%	32.44%	7,097,462
2012	(3) 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
2016	0.60%	27,898,910	5.54%	9,454,023	6.71%	33.89%	9,454,023
Total		<u>\$234,782,448</u>		<u>\$77,308,843</u>		<u>32.93%</u>	<u>\$78,475,625</u>

(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) In 2011, the State of Indiana underpaid due to an accounting error.

(3) The City's 2012 COIT distribution included \$918,751, the amount the State of Indiana underpaid the City in 2011.

**Source - State of Indiana Department of Local Government Finance COIT Distribution Reports
City of South Bend Accounting Records**

City of South Bend, Indiana

Statistical Section Local Option Income Tax Revenue Last Ten Years

PUBLIC SAFETY LOCAL OPTION INCOME TAX REVENUE

<u>Distribution Year</u>		<u>PS LOIT Tax Rate</u>	<u>Total County LOIT Distributions</u>	<u>Rate of Growth</u>	<u>South Bend LOIT Distribution</u>	<u>Rate of Growth</u>	<u>South Bend as a Percent of Total</u>	<u>Actual City Collections During Year</u>
2010	(1)	0.25%	\$ 13,846,267	100.00%	\$ 6,078,454	100.00%	43.90%	\$ 6,078,454
2011	(2)	0.25%	11,371,882	-17.87%	5,293,619	-12.91%	46.55%	5,293,619
2012	(3)	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
2016		0.25%	14,237,777	3.67%	6,791,160	5.03%	47.70%	6,791,160
Total			<u>\$89,769,900</u>		<u>\$42,958,142</u>		<u>47.85%</u>	<u>\$43,507,439</u>

(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) In 2011, the State of Indiana underpaid due to an accounting error.

(3) The City's 2012 PS LOIT distribution included \$549,267, the amount the State of Indiana underpaid the City in 2011.

**Source - State of Indiana Department of Local Government Finance LOIT Public Safety Distribution Reports
City of South Bend Accounting Records**

City of South Bend, Indiana

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

Unit of Government	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total County Certified Distribution	\$ 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	\$ 34,170,664
Less: Homestead Credit (1)	(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)	(6,271,754)
Total Distributive Shares	\$ 16,993,346	\$ 20,689,958	\$ 26,973,887	\$ 25,147,806	\$ 19,907,430	\$ 22,536,457	\$ 22,923,956	\$ 25,275,541	\$ 26,435,155	\$ 27,898,910
Distributive Shares/Total County Distribution	55.07%	63.52%	77.51%	75.68%	72.94%	75.38%	76.67%	78.15%	80.20%	81.65%
Amount										
St. Joseph County	\$ 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	\$ 9,983,016
Townships	648,364	820,241	1,180,913	1,168,352	1,054,827	1,244,481	954,332	1,069,408	1,541,211	1,695,662
City of South Bend - Civil City	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	9,275,956
City of South Bend - Redevelopment	83,453	116,097	203,918	178,046	154,363	184,790	135,330	161,972	104,972	178,067
Other Cities & Towns	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	3,683,131
Libraries	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	2,279,241
Special Districts	540,235	647,285	882,111	798,374	581,071	651,749	675,474	741,455	770,148	803,837
Total	\$ 16,993,346	\$ 20,689,958	\$ 26,973,887	\$ 25,147,806	\$ 19,907,430	\$ 22,536,457	\$ 22,923,956	\$ 25,275,541	\$ 26,435,155	\$ 27,898,910
Percentage of Distribution										
St. Joseph County	43.41%	42.65%	38.40%	39.05%	37.09%	35.44%	36.91%	36.85%	36.36%	35.78%
Townships	3.82%	3.96%	4.38%	4.65%	5.30%	5.52%	4.16%	4.23%	5.83%	6.08%
City of South Bend - Civil City	29.88%	30.29%	32.43%	30.53%	31.67%	33.33%	33.64%	33.57%	33.12%	33.25%
City of South Bend - Redevelopment	0.49%	0.56%	0.76%	0.71%	0.78%	0.82%	0.59%	0.64%	0.40%	0.64%
Other Cities & Towns	11.66%	11.44%	13.32%	13.77%	13.40%	13.65%	13.68%	13.37%	13.27%	13.20%
Libraries	7.56%	7.96%	7.44%	8.12%	8.85%	8.34%	8.07%	8.41%	8.11%	8.17%
Special Districts	3.18%	3.14%	3.27%	3.17%	2.91%	2.90%	2.95%	2.93%	2.91%	2.88%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) A portion of the county option income tax is used for property tax relief through homestead credits for residential property owners.

Source - State of Indiana Department of Local Government Finance COIT Distribution Reports

City of South Bend, Indiana

Statistical Section Ten Largest Water Customers December 31, 2016

Name	2016 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	\$ 99,699	0.66%	85,855
Memorial Hospital of South Bend	95,161	0.63%	105,981
Irish Hills Apartments	68,865	0.46%	58,931
Honeywell Aerospace Co	62,865	0.42%	66,790
Indiana University South Bend	41,930	0.28%	47,923
Indian Springs Apartments and Townhouses	40,994	0.27%	42,986
Castle Point Apartments	39,765	0.26%	37,780
Aramark Uniform Services	39,186	0.26%	50,154
Laurnenz Place LLC	37,550	0.25%	47,820
Holy Cross Care Services Inc	37,395	0.25%	35,512
Total of Ten Largest Water Customers	\$ 563,410	3.73%	
Total for Operating Revenue for Water Works	\$ 15,091,372	100.00%	

*Hundreds of Cubic Feet

Source: City of South Bend Water Utility

City of South Bend, Indiana

Statistical Section Ten Largest Sewage Works Customers December 31, 2016

Name	Metered Revenue	Heavy Demand Surcharge	Total Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/NTEK Plant	\$ 2,281,926	\$ -	\$ 2,281,926	5.84%	799,248
University of Notre Dame	1,760,269	-	1,760,269	4.51%	711,576
Noble Americas Ethanol	782,598	-	782,598	2.00%	251,551
Memorial Hospital	359,863	-	359,863	0.92%	97,734
Honeywell Aerospace Co	291,165	-	291,165	0.75%	63,455
Laurenz Place LLC	184,609	-	184,609	0.47%	47,760
South Bend Community School Corp	171,507	-	171,507	0.44%	37,780
Castle Point Apartments	170,864	-	170,864	0.44%	42,810
Aramark Uniform Services	169,295	-	169,295	0.43%	50,154
St. Joseph County Maintenance Department	168,015	-	168,015	0.43%	45,152
Total of Ten Largest Sewer Customers	\$ 6,340,111	\$ -	\$ 6,340,111	16.23%	
Total Operating Revenue for Wastewater			\$ 39,061,562		

*Hundreds of Cubic Feet

Source: City of South Bend Sewage Works Utility

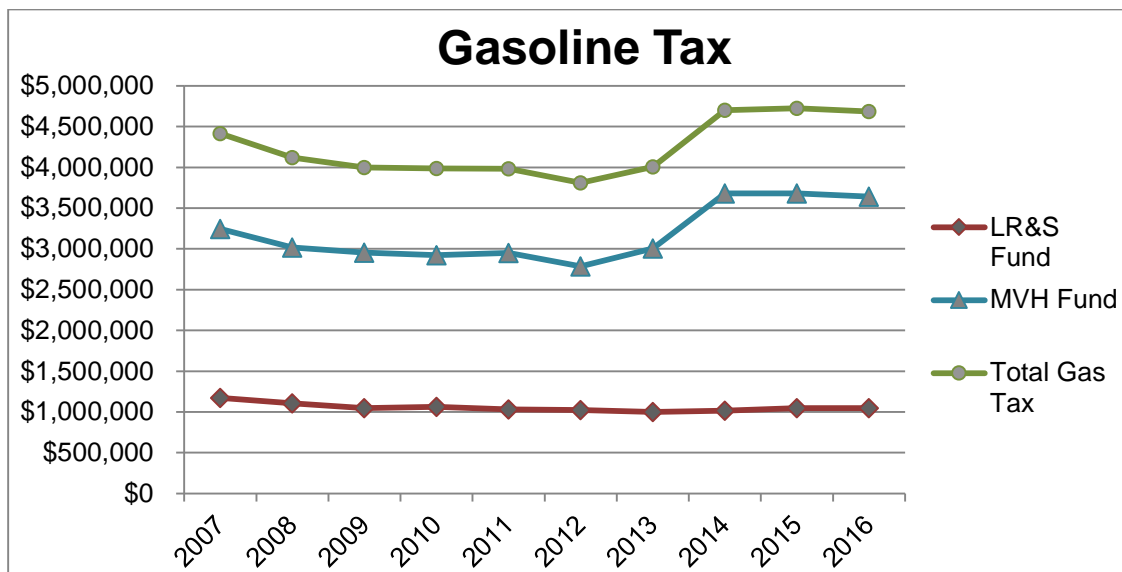
City of South Bend, Indiana

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

Year	LR&S Fund	MVH Fund	Total Gas Tax	% Change
2007	\$ 1,171,732	\$ 3,243,818	\$ 4,415,550	-2.50%
2008	1,104,260	3,016,198	4,120,458	-6.68%
2009	1,045,477	2,954,086	3,999,563	-2.93%
2010	1,064,149	2,922,165	3,986,314	-0.33%
2011	1,030,958	2,951,072	3,982,030	-0.11%
2012	1,022,508	2,786,592	3,809,100	-4.34%
2013	1,001,871	3,006,122	4,007,993	5.22%
2014	1,017,383	3,682,329	4,699,712	17.26%
2015	1,045,516	3,679,371	4,724,887	0.54%
2016	1,046,446	3,640,561	4,687,007	-0.80%

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 of Indiana. The formula 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 2016. Legislation passed by the Indiana General Assembly in 2017 will increase gas tax collections in the LR&S and MVH funds by 49% and 40% respectively.

Source: City Accounting Records



City of South Bend, Indiana

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

Year	LR&S Fund	MVH Fund	Total Wheel Tax	% Change
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%
2016	-	2,006,547	2,006,547	-6.04%

Effective January 1, 2004, St. Joseph County enacted a wheel tax and annual license excise surtax as allowed by Indiana State law to provide additional funding for road maintenance and repair. Indiana 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 of South Bend Accounting Records

City of South Bend, Indiana

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

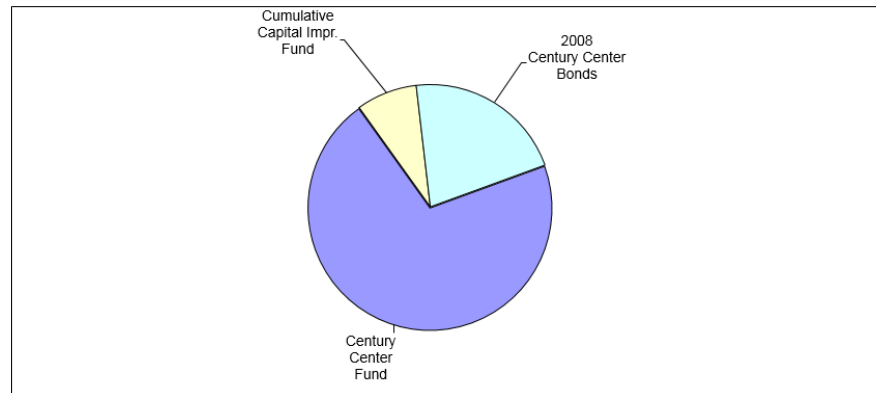
Year	-----Paid to City of South Bend-----					-----Direct Payments-----				Total Hotel/ Motel Tax	% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Subtotal: Paid to City of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other Century Center Projects			
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%	
2016	1,313,450	-	150,000	396,000	1,859,450	-	-	713,601	2,573,051	-12.25%	

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 2016 to all organizations was \$4,189,152. The cash balance in the County Hotel/Motel Tax Fund was \$4,630,812 at December 31, 2016.

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



City of South Bend, Indiana

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

Year	Total PSDA Tax	% Change
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%
2016	760,390	21.03%

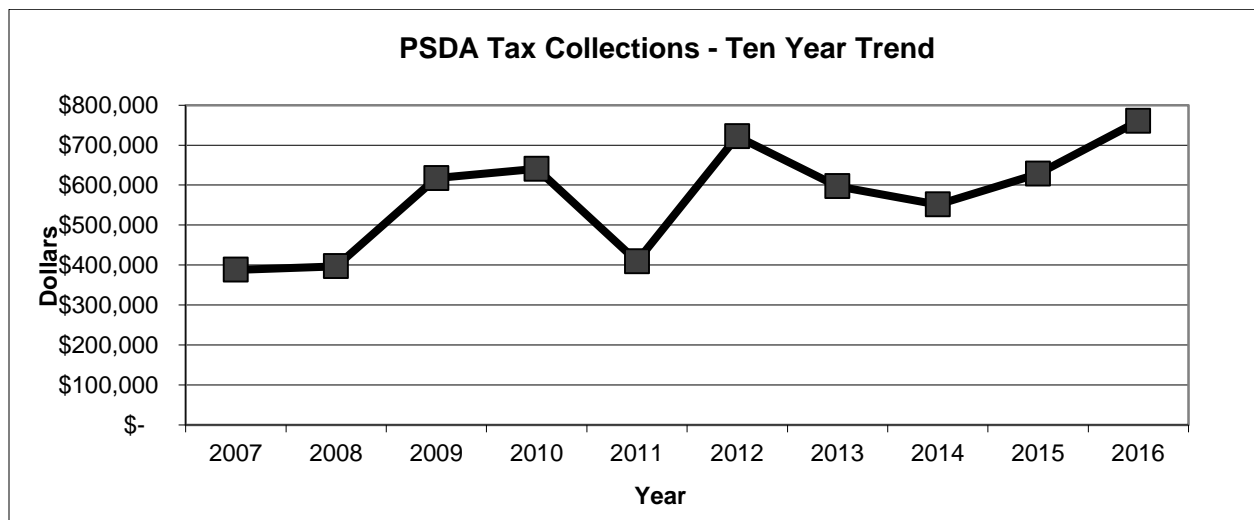
The Professional Sports Development Area (PSDA) tax is a combination of Indiana state income tax withholding, local income tax withholding and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski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



City of South Bend, Indiana

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

Year	Comcast	AT&T	Total Franchise Fees	% Change
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%
2016	749,565	256,611	1,006,176	0.06%

Pursuant to Indiana 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 (\$43,000) are spent on support of the local public access channel.

Under Indiana 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 of South Bend Accounting Records

Debt Capacity

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

City of South Bend, Indiana

Statistical Section Computation of Legal Debt Margin December 31, 2016

Civil City

Net Assessed Valuation (2015 pay 2016) of Taxable Property in South Bend	\$2,277,169,743
Debt limit: 2% of one third thereof	15,181,132
Less Bonds subject to limitation:	
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 A	(225,000)
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 B	(205,000)
Economic Development Income Tax Bonds of 2015 (Parks Bond)	<u>(5,405,000)</u>
Issuance Margin	<u>\$ 9,346,132</u>
Percentage of Debt to Debt Limit	<u>38.44%</u>

Redevelopment District

Net Assessed Valuation (2015 pay 2016) of Taxable Property in South Bend	\$2,277,169,743
Debt limit: 2% of one third thereof	15,181,132
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2014	<u>(2,210,000)</u>
Issuance Margin	<u>\$ 12,971,132</u>
Percentage of Debt to Debt Limit	<u>14.56%</u>

A 2% debt limit is established by the Constitution of the State of Indiana. This limit is established for general obligation bonds, Economic Development Income Tax revenue bonds, tax revenue notes and other types of indebtedness. This limitation does not include revenue bonds payable from governmental funds (excluding EDIT bonds) shown in the general long term debt account group. Indiana law allows the creation of separate municipal corporations to provide vital governmental functions. Each of these municipal corporations (including the Redevelopment Authority and Redevelopment Commission) has its own 2% debt limit, even if they have the same or similar boundaries.

City of South Bend, Indiana

Statistical Section Legal Debt Margin Information Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Civil City										
Debt Limit (1)	\$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	\$15,181,132
Total Net Debt Applicable To Limit	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	5,835,000
Debt Margin	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	9,346,132
Percentage of Debt Limit	33.18%	30.77%	30.91%	60.22%	57.50%	49.04%	40.66%	33.74%	48.25%	38.44%
Redevelopment District										
Debt Limit (1)	\$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	\$15,181,132
Total Net Debt Applicable To Limit	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	2,210,000
Debt Margin	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	12,971,132
Percentage of Debt Limit	27.69%	26.71%	28.16%	28.83%	26.36%	26.19%	21.86%	20.43%	17.35%	14.56%

(1) A 2% of net assessed value debt limit has been established by the Constitution of the State of Indiana for certain type of debt including general obligation bonds, Economic Development Income Tax bonds and tax revenue notes. This limitation does not apply to revenue bonds payable from governmental or proprietary funds.

City of South Bend, Indiana

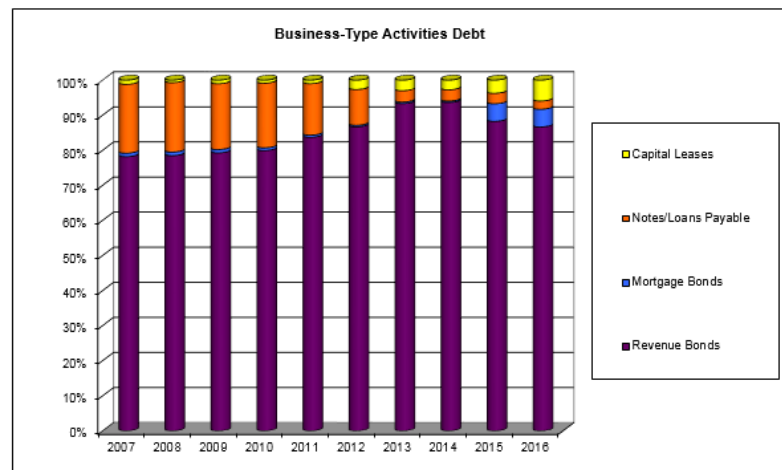
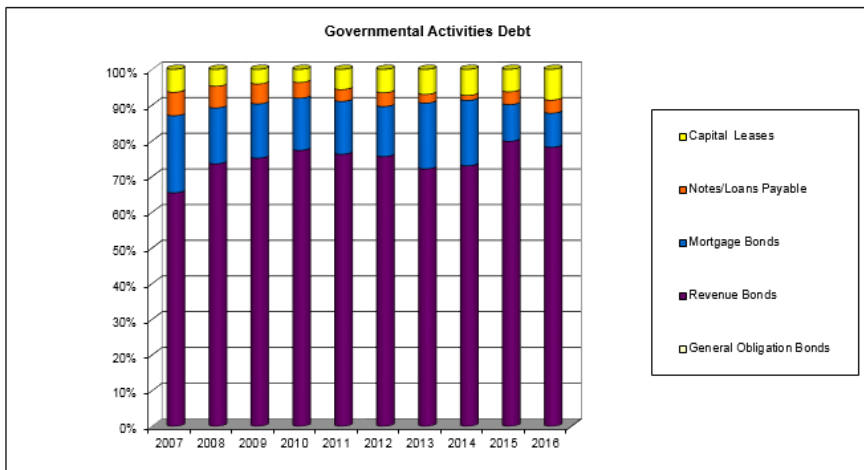
Statistical Section Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Estimated Population (1)	Debt Per Capita	South Bend Estimated Personal Income (2)	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						
2007	\$ -	\$ 78,570,000	\$ 25,957,839	\$ 7,900,658	\$ 7,695,487	\$ 73,145,000	\$ 926,805	\$ 18,380,491	\$ 1,127,394	\$ 213,703,674	104,069	\$ 2,053	\$ 3,511,183,991	6.09%	
2008	-	115,240,000	24,534,464	9,543,790	7,388,443	67,535,000	878,835	17,031,649	628,427	242,780,608	104,905	2,314	3,709,126,085	6.55%	
2009	-	113,975,000	23,061,148	8,470,308	6,214,206	68,225,000	829,020	16,145,358	893,233	237,813,273	106,192	2,239	3,679,658,992	6.46%	
2010	-	111,510,000	21,117,295	6,323,199	5,299,341	72,655,000	717,705	16,755,369	799,402	235,177,311	101,168	2,325	3,505,572,368	6.71%	
2011	-	101,472,431	19,724,490	4,431,871	7,510,749	88,655,000	660,510	15,542,372	1,077,642	239,075,065	101,168	2,363	3,371,120,096	7.09%	
2012	-	96,410,000	17,883,530	4,953,639	8,336,120	117,650,000	601,470	13,848,901	3,641,362	263,325,022	101,168	2,603	3,371,120,096	7.81%	
2013	-	90,172,826	23,079,781	3,030,554	8,777,238	118,121,963	546,973	4,121,010	3,831,933	251,682,278	101,168	2,488	3,371,120,096	7.47%	
2014	-	84,862,512	21,331,548	1,617,491	8,481,375	111,209,874	480,604	3,794,664	3,307,802	235,085,870	101,168	2,324	3,371,120,096	6.97%	
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	3,371,120,096	7.46%	
2016	-	99,040,132	12,091,550	4,647,381	10,929,075	95,477,047	5,556,865	2,582,205	6,585,123	236,909,378	101,168	2,342	3,492,622,864	6.78%	
Percent of Total Debt	0%	41.81%	5.10%	1.96%	4.61%	40.30%	2.35%	1.09%	2.78%	100.00%					

Sources: City of South Bend Comprehensive Annual Financial Reports

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2016 information not available.

(2) City of South Bend estimated personal income is computed as estimated City population x City of South Bend Median Household Income from U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)



City of South Bend, Indiana

Statistical Section Computation of Direct and Overlapping Debt December 31, 2016

	<u>Gross Debt</u>	<u>Percentage Applicable to South Bend</u>	<u>Amount Applicable to South Bend</u>	<u>Debt Per Capita</u>	<u>Ratio of Debt/ Net Assessed Value</u>	<u>Ratio of Debt/ Personal Income</u>
Direct Debt:						
City of South Bend						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 99,040,132	100.00 %	\$ 99,040,132			
Mortgage Bonds - Governmental Activities	12,091,550	100.00	12,091,550			
Notes Payable - Governmental Activities	4,647,381	100.00	4,647,381			
Capital Leases - Governmental Activities	10,929,075	100.00	10,929,075			
Total Direct Debt and Lease Obligation Debt			<u>\$ 126,708,138</u>	<u>\$ 1,252</u>	<u>5.56 %</u>	<u>3.63 %</u>
Overlapping Debt (1)						
South Bend Community School Corporation	\$ 114,089,291	52.85 %	\$ 60,296,190			
St. Joseph County Public Library	4,015,000	49.51	1,987,827			
St. Joseph County Airport Authority	12,080,000	28.17	3,402,936			
St. Joseph County	30,465,000	28.17	8,581,991			
Penn-Harris-Madison School Corporation	36,675,073	2.68	982,892			
Mishawaka-Penn-Harris Public Library	2,475,000	2.19	54,203			
Total Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 75,306,038</u>	<u>\$ 744</u>	<u>3.31 %</u>	<u>2.16 %</u>
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 202,014,176</u>	<u>\$ 1,997</u>	<u>8.87 %</u>	<u>5.78 %</u>
Ratio Factors						
Net Assessed Valuation (2015 payable 2016)	2,277,169,743					
Population - 2010 Census	101,168 (2)					
South Bend Median Household Income 2015	34,523 (3)					
Estimated South Bend Total Personal Income (2 x 3)	3,492,622,864					

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

(2) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2016 information not available.

(3) U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)

City of South Bend, Indiana

Statistical Section

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Fund Expenditures Last Ten Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
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%
2016	-	-	-	170,976,084	0.00%

The City of South Bend has no General Obligation bonded debt.

Source - City of South Bend Comprehensive Annual Financial Reports

City of South Bend, Indiana

Statistical Section

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

Tax Year/ Collection Year	Population (1)	Net Assessed Value	Gross 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
2006/2007	104,069	\$ 3,022,157,147	\$ -	\$ -	\$ -	0.00%	\$ -
2007/2008	104,905	2,976,080,798	-	-	-	0.00%	-
2008/2009	106,192	2,668,887,419	-	-	-	0.00%	-
2009/2010	101,168	2,453,505,573	-	-	-	0.00%	-
2010/2011	101,168	2,324,451,862	-	-	-	0.00%	-
2011/2012	101,168	2,380,874,608	-	-	-	0.00%	-
2012/2013	101,168	2,371,087,697	-	-	-	0.00%	-
2013/2014	101,168	2,209,726,672	-	-	-	0.00%	-
2014/2015	101,168	2,260,269,318	-	-	-	0.00%	-
2015/2016	101,168	2,277,169,743	-	-	-	0.00%	-

The City of South Bend has no General Obligation bonded debt.

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2016 information not available.

City of South Bend, Indiana

Statistical Section

St. Joseph County Hotel/Motel Tax Board

Statement of Estimated Cash Flow and Debt Service Coverage

Year	Projected Hotel/Motel Tax Revenues	2011 B Century Center Refunding Bonds (1)	2013 Century Center Refunding Bonds	2015 Century Center Energy Conservation Bonds	Total Annual Debt Service	Estimated Excess Funds	Estimated Coverage
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	5,514,603	-	-	176,508	176,508	5,338,095	3124%
2032	5,569,749	-	-	-	-	5,569,749	-
Total	\$ 82,794,605	\$ 150,000	\$ 3,532,500	\$ 4,145,311	\$ 7,827,811	\$ 74,966,794	

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

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

City of South Bend, Indiana

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

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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%
2016	15,091,372	12,081,699	3,009,673	977,113	623,226	1,600,339	188%

(1) Operating expenses exclude depreciation.

Operating revenue used to make debt service payments is obtained primarily through monthly user charges to water customers.

Source - City of South Bend Comprehensive Annual Financial Report.

City of South Bend, Indiana

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

Year	Gross Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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%
2016	39,061,562	16,920,370	22,141,192	7,522,453	2,342,132	9,864,586	224%

(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 not 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, Indiana

Statistical Section Municipal Sewage Works

Annual Wastewater Flow Data

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capacity (MGD)	48	48	48	48	48	48	48	48	48	48
Average Daily Flow	32.45	37.80	38.42	30.86	35.80	31.77	30.69	32.00	30.20	43.87
Peak Flow	60.30	75.00	68.80	62.00	72.50	63.70	62.50	68.50	57.70	67.80
Annual Flow (MG)	11,845	13,835	14,024	11,264	13,068	11,596	11,203	11,677	11,023	16,014

Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
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
2016	40,073

Source: City of South Bend Environmental Services Department

City of South Bend, Indiana

Statistical Section Statement of City-Owned Utility Debt December 31, 2016

Statement of City-Owned Utility Debt

South Bend Municipal Sewage Works

Sewage Works State Revolving Fund (SRF) Loan of 2009	\$ 2,249,643
Sewage Works Revenue Bonds of 2010	7,145,000
Sewage Works Revenue Bonds of 2011	17,295,000
Sewage Works Revenue Bonds of 2012	20,890,000
Sewage Works Revenue Bonds of 2013 A	8,050,000
Sewage Works Refunding Revenue Bonds of 2015	<u>24,965,000</u>
Total Sewage Utility Debt	<u><u>\$ 80,594,643</u></u>

South Bend Municipal Waterworks

Waterworks Revenue Bonds of 2009, Series A State Revolving Fund (SRF) Loan	\$ 332,562
Waterworks Revenue Bonds of 2009, Series B Indiana Bond Bank	4,325,000
Waterworks Revenue Bonds of 2012	2,380,000
Waterworks Revenue Refunding Bonds of 2012, Series B	6,925,000
Waterworks Refunding Bonds of 2016	<u>3,300,000</u>
Total Water Utility Debt	<u><u>\$ 17,262,562</u></u>
Total Utility Debt	<u><u>\$ 97,857,205</u></u>

Source: City of South Bend Finance Department

City of South Bend, Indiana

Statistical Section Estimates Debt Service Coverage Calculation of Sewage Works December 31, 2016

Operating Revenues	\$ 39,061,562
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(16,920,370)</u>
Net Revenues Available for Debt Service	22,141,192
Estimated Combined Annual Debt Service	<u>9,864,586</u>
Coverage - \$	<u>\$ 12,276,606</u>
Coverage - %	<u>224%</u>

City of South Bend, Indiana

Statistical Section Estimate Debt Service Coverage Calculation of Water Utility December 31, 2016

Operating Revenues	\$ 15,091,372
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(12,081,699)</u>
Net Revenues Available for Debt Service	3,009,673
Estimated Combined Maximum Annual Debt Service	<u>1,600,339</u>
Coverage - \$	<u>\$ 1,409,334</u>
Coverage - %	<u>188%</u>

City of South Bend, Indiana

Statistical Section
Projected City of South Bend COIT Revenue
.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
2017	\$ 31,321,416	33.39%	\$ 10,459,265
2018	31,947,844	33.39%	10,668,450
2019	32,586,801	33.39%	10,881,819
2020	33,238,537	33.39%	11,099,456
2021	33,903,308	33.39%	11,321,445
2022	34,581,374	33.39%	11,547,874
2023	35,273,002	33.39%	11,778,831
2024	35,978,462	33.39%	12,014,408
2025	36,698,031	33.39%	12,254,696
2026	37,431,992	33.39%	12,499,790
Total			\$ 114,526,034

Estimated 2% increase to COIT distributions due to improving economic conditions. Starting in 2017, COIT is part of the new Local Income Tax (LIT) category.

Source: Department of Local Government Finance (DLGF)

City of South Bend, Indiana

Statistical Section
Projected City of South Bend CEDIT Revenue
.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
2017	\$ 26,149,949	40.54%	\$ 10,600,122
2018	26,672,948	40.54%	10,812,124
2019	27,206,407	40.54%	11,028,367
2020	27,750,535	40.54%	11,248,934
2021	28,305,546	40.54%	11,473,913
2022	28,871,657	40.54%	11,703,391
2023	29,449,090	40.54%	11,937,459
2024	30,038,072	40.54%	12,176,208
2025	30,638,833	40.54%	12,419,732
2026	31,251,610	40.54%	12,668,127
		Total	<u>\$ 116,068,378</u>

Estimated 2% increase to CEDIT distributions due to improving economic conditions. Starting in 2017, CEDIT is part of the new Local Income Tax (LIT) category.

Source: Department of Local Government Finance (DLGF)

City of South Bend, Indiana

Statistical Section Projected City of South Bend LOIT Revenue .25% LOIT Tax Rate

Year of Collection	St. Joseph County Projected Distribution	Projected CEDIT	Projected PS LOIT Amount Available For Debt Service
2017	\$ 15,673,247	43.33%	\$ 6,791,160
2018	15,986,712	43.33%	6,926,983
2019	16,306,446	43.33%	7,065,523
2020	16,632,575	43.33%	7,206,833
2021	16,965,227	43.33%	7,350,970
2022	17,304,531	43.33%	7,497,989
2023	17,650,622	43.33%	7,647,949
2024	18,003,634	43.33%	7,800,908
2025	18,363,707	43.33%	7,956,926
2026	18,730,981	43.33%	8,116,065
Total			<u>\$ 74,361,307</u>

Estimated 2% increase to PS LOIT distributions due to improving economic conditions. Starting in 2017, PS LOIT is part of the new Local Income Tax (LIT) category.

Source: Department of Local Government Finance (DLGF)

City of South Bend, Indiana

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
2017	\$ 10,459,265	\$ 727,155	\$ 670,994	\$ 1,565,740	\$ 402,480	\$ 3,366,369	\$ 7,092,896	311%
2018	10,668,450	714,070	671,775	1,564,520	395,730	3,346,095	7,322,355	319%
2019	10,881,819	353,970	671,144	1,557,920	398,830	2,981,864	7,899,955	365%
2020	11,099,456	-	672,500	1,555,880	396,705	2,625,085	8,474,371	423%
2021	11,321,445	-	336,600	1,566,750	399,355	2,302,705	9,018,740	492%
2022	11,547,874	-	-	1,555,000	396,780	1,951,780	9,596,094	592%
2023	11,778,831	-	-	779,625	398,980	1,178,605	10,600,226	999%
2024	12,014,408	-	-	-	406,543	406,543	11,607,865	2955%
2025	12,254,696	-	-	-	411,493	411,493	11,843,203	2978%
2026	12,499,790	-	-	-	410,643	410,643	12,089,147	3044%
2027	12,749,786	-	-	-	414,149	414,149	12,335,637	3079%
2028	13,004,781	-	-	-	421,605	421,605	12,583,176	3085%
2029	13,264,877	-	-	-	422,742	422,742	12,842,135	3138%
2030	13,530,175	-	-	-	422,742	422,742	13,107,433	3201%
2031	13,800,778	-	-	-	427,550	427,550	13,373,228	3228%
2032	14,076,794	-	-	-	431,254	431,254	13,645,540	3264%
2033	14,358,329	-	-	-	433,925	433,925	13,924,404	3309%
2033	14,645,496	-	-	-	433,925	433,925	14,211,571	3375%
Total	\$ 223,957,049	\$ 1,795,195	\$ 3,023,013	\$ 10,145,435	\$ 7,425,431	\$ 22,389,074	\$ 201,567,975	1000%

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

City of South Bend, Indiana

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
2017	\$ 10,600,122	\$ 439,933	\$ 166,761	\$ 390,482	\$ 997,175	\$ 9,602,947	1063%
2018	10,812,124	-	198,966	379,107	578,073	10,234,051	1870%
2019	11,028,367	-	199,242	382,732	581,974	10,446,393	1895%
2020	11,248,934	-	199,460	381,132	580,592	10,668,343	1937%
2021	11,473,913	-	199,271	374,382	573,653	10,900,260	2000%
2022	11,703,391	-	199,423	372,557	571,980	11,131,411	2046%
2023	11,937,459	-	199,423	375,582	575,005	11,362,454	2076%
2024	12,176,208	-	199,314	368,382	567,696	11,608,512	2145%
2025	12,419,732	-	154,405	381,032	535,437	11,884,295	2320%
2026	12,668,127	-	155,363	373,232	528,595	12,139,532	2397%
2027	12,921,490	-	154,724	375,357	530,081	12,391,409	2438%
2028	13,179,919	-	155,298	377,182	532,480	12,647,440	2475%
2029	13,443,518	-	154,128	383,616	537,744	12,905,773	2500%
2030	13,712,388	-	154,172	384,038	538,210	13,174,178	2548%
2031	13,986,636	-	154,051	388,463	542,514	13,444,122	2578%
2032	14,266,369	-	153,630	387,176	540,806	13,725,562	2638%
2033	14,551,696	-	153,038	389,813	542,851	14,008,845	2681%
2034	14,842,730	-	153,582	391,781	545,363	14,297,367	2722%
2035	15,139,584	-	-	593,094	593,094	14,546,490	2553%
Total	\$ 242,112,708	\$ 439,933	\$ 3,104,253	\$ 7,449,140	\$ 10,993,326	\$ 231,119,382	2202%

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

City of South Bend, Indiana

Statistical Section Estimated Tax Increment Revenue 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
2015/2016	\$ -	\$ -	\$ -

- (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 and 2015 pay 2016.

Source: City of South Bend Finance Department

Demographic and Economic Information

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

City of South Bend, Indiana

Statistical Section Demographic Statistics Last Ten Years

Year	City of South Bend Population (1)	Percent Increase/ (Decrease)	South Bend Metropolitan Area Median Family Income (2)	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 (5)	Percent Increase/ (Decrease)
2007	104,069	-0.4%	\$ 44,400	13.7%	\$ 10,959	4.0%	\$ 34,391	3.7%	34.6	21,715	-1.0%
2008	104,905	0.8%	40,684	-8.4%	11,343	3.5%	35,450	3.1%	34.6	20,800	-4.2%
2009	106,192	1.2%	43,403	6.7%	10,581	-6.7%	33,151	-6.5%	32.3	20,451	-1.7%
2010	101,168	-4.7%	40,789	-6.0%	10,788	2.0%	33,819	2.0%	33.4	20,066	-1.9%
2011	101,168	0.0%	40,873	0.2%	11,447	6.1%	35,867	6.1%	33.3	19,467	-3.0%
2012	101,168	0.0%	40,873	0.0%	11,948	4.4%	37,505	4.6%	33.3	18,982	-2.5%
2013	101,168	0.0%	40,873	0.0%	12,196	2.1%	38,265	2.0%	33.3	19,680	3.7%
2014	101,168	0.0%	34,656	-15.2%	12,887	5.7%	40,342	5.4%	33.9	19,308	-1.9%
2015	101,168	0.0%	34,656	0.0%	13,560	5.2%	42,362	5.0%	34.0	18,680	-3.3%
2016	101,168	0.0%	34,523	-0.4%	13,560	0.0%	42,362	0.0%	32.7	18,110	-3.1%

Sources:

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2016 information not available.

(2) U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)

(3) Bureau of Local Economic Analysis, South Bend-Mishawaka, IN_MI Metropolitan Area Profile (<https://www.bea.gov/>). 2016 information not available.

Personal income includes net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts received by the residents of South Bend-Mishawaka.

(4) U.S. Census Bureau, Profile of General Demographic Characteristics (<http://factfinder.census.gov/>)

(5) Indiana Department of Education, South Bend School Corporation Total Enrollment (<http://compass.doe.in.gov/>)

Metropolitan statistical area (MSA)- An area consisting of a core county or counties in which lies an urban area having a population of at least 50,000, plus adjacent counties having a high degree of social and economic integration with the core counties as measured through commuting ties.

City of South Bend, Indiana

Statistical Section Demographic Statistics (Continued) Last Ten Years

<u>Year</u>	<u>December South Bend Metropolitan Area Labor Force (I)</u>	<u>Percent Increase/ (Decrease)</u>	<u>December South Bend Metropolitan Area Unemployment (I)</u>	<u>Percent Increase/ (Decrease)</u>	<u>December South Bend Metropolitan Unemployment Rate (I)</u>
2007	159,981	-1.4%	8,046	-5.4%	5.0%
2008	159,417	-0.4%	10,494	30.4%	6.6%
2009	154,409	-3.1%	17,713	68.8%	11.5%
2010	155,045	0.4%	17,869	0.9%	11.5%
2011	155,025	0.0%	15,582	-12.8%	10.1%
2012	151,520	-2.3%	14,085	-9.6%	9.3%
2013	150,796	-0.5%	13,021	-7.6%	8.6%
2014	152,583	1.2%	10,040	-22.9%	6.6%
2015	154,598	1.3%	7,768	-22.6%	5.0%
2016	158,279	2.4%	7,176	-7.6%	4.5%

Source:

(I) Bureau of Labor Statistics, Local Area Unemployment Statistics: South Bend-Mishwaka IN-MI Metropolitan Statistical Area (<https://www.bls.gov/data/>)

Metropolitan statistical area (MSA)- An area consisting of a core county or counties in which lies an urban area having a population of at least 50,000, plus adjacent counties having a high degree of social and economic integration with the core counties as measured through commuting ties.

City of South Bend, Indiana

Statistical Section Employment by Type and Industry Last Ten Years

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total employment	175,360	176,686	174,085	165,304	164,086	167,018	165,870	165,639	168,250	172,229
By Type										
Wage and salary employment	147,207	147,123	144,931	135,840	134,779	137,009	136,455	136,112	138,520	141,609
Proprietors employment	28,153	29,563	29,154	29,464	29,307	30,009	29,415	29,527	29,730	30,620
Farm proprietors employment	1,332	1,350	1,331	1,329	1,340	1,342	1,300	1,310	1,298	1,291
Nonfarm proprietors employment	26,821	28,213	27,823	28,135	27,967	28,667	28,115	28,217	28,432	29,329
By Industry										
Farm employment	1,961	1,966	1,791	1,765	1,758	1,770	1,680	1,692	1,681	1,686
Nonfarm employment	173,399	174,720	172,294	163,539	162,328	165,248	164,190	163,947	166,569	170,543
Private nonfarm employment	155,226	156,625	154,068	145,200	144,045	147,071	146,899	147,190	149,978	153,884
Forestry, fishing, and related activities	(D)	222	(D)	(D)	245	271	301	287	(D)	(D)
Mining	62	75	105	96	117	105	154	178	(D)	(D)
Utilities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	9,393	9,300	9,257	7,988	6,927	6,951	6,639	6,823	6,839	7,536
Manufacturing	21,097	20,479	19,324	16,516	16,286	17,624	17,657	17,139	17,523	18,109
Wholesale trade	8,350	8,217	7,962	7,057	7,170	7,256	7,100	6,871	7,161	7,449
Retail trade	20,022	20,082	19,141	18,105	17,728	17,834	17,670	17,623	17,759	17,992
Transportation and warehousing	(D)	(D)	(D)	(D)	4,349 E	(D)	(D)	(D)	(D)	(D)
Information	2,669	2,658	2,556	(D)	2,227	2,081	2,113	2,265	2,265	2,215
Finance and insurance	6,861	6,972	7,028	6,988	6,817	7,021	6,797	6,213	6,057	6,028
Real estate and rental and leasing	6,460	6,614	6,423	6,128	5,933	6,107	5,987	6,069	6,285	6,358
Professional, scientific, and technical services	7,533 E	7,666 E	7,642 E	7,273 E	7,169 E	7,180 E	6,986 E	7,416	7,422	7,687
Management of companies and enterprises	931 E	1,133 E	1,218 E	1,246 E	1,307 E	1,411 E	1,515 E	2,195	2,330	2,428
Administrative and waste management services	9,021	9,636	9,111	8,108	8,529	8,363	7,912	7,787	8,149	8,415
Educational services	12,652	12,848	13,254	13,067	13,200 E	13,755	14,120	(D)	(D)	(D)
Health care and social assistance	19,736	20,161	20,339	20,882	20,341 E	21,268	21,875	(D)	(D)	(D)
Arts, entertainment, and recreation	2,822	2,864	2,839	2,655	2,626	2,813	2,768	2,811	2,726	2,786
Accommodation and food services	11,357	11,350	11,647	10,945	11,032	11,590	11,823	12,195	12,358	12,810
Other services, except public administration	10,210	10,425	10,196	(D)	9,763	10,071	10,070	9,956	10,344	10,431
Government and government enterprises	18,173	18,095	18,226	18,339	18,283	18,177	17,291	16,757	16,591	16,659
Federal, civilian	1,243	1,236	1,223	1,241	1,265	1,091	1,071	1,010	962	944
Military	1,019	995	1,003	1,013	1,003	1,043	1,006	991	1,002	1,023
State and local	15,911	15,864	16,000	16,085	16,015	16,043	15,214	14,756	14,627	14,692
State government	3,108	3,069	3,188	3,350	3,434	3,535	3,458	3,237	3,062	3,035
Local government	12,803	12,795	12,812	12,735	12,581	12,508	11,756	11,519	11,565	11,657

Source: Bureau of Local Economic Analysis (<https://www.bea.gov/>)
* 2016 information not available

1/ The estimates of employment for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS), a comprehensive, industrial classification system—developed and used by the United States, Canada, and Mexico—that groups establishments according to the similarity of their production processes. The estimates for 2007-2010 are based on the 2007 NAICS. The estimates for 2011 forward are based on the 2012 NAICS.

2/ Excludes limited partners.

E The estimate shown here constitutes the major portion of the true estimate.

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Last updated: November 17, 2016 -- new estimates for 2015; revised estimates for 2001-2014.

Metropolitan statistical area (MSA)- An area consisting of a core county or counties in which lies an urban area having a population of at least 50,000, plus adjacent counties having a high degree of social and economic integration with the core counties as measured through commuting ties.

City of South Bend, Indiana

Statistical Section

Comparison Growth Rates in Personal Income for St. Joseph County The State of Indiana and U.S. Personal Income Last Ten Years

Calendar Year	Amount in Millions		Amount in Billions	Annual Percentage Increase		
	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income	St. Joseph Co. Personal Income	Indiana Personal Income	U.S. Personal Income
2006	\$ 9,018	\$ 207,377	\$ 11,381	7.16%	6.28%	7.27%
2007	9,381	215,099	11,995	4.02%	3.72%	5.40%
2008	9,708	225,760	12,493	3.49%	4.96%	4.15%
2009	9,042	220,157	12,079	-6.86%	-2.48%	-3.31%
2010	9,144	227,692	12,460	1.14%	3.42%	3.15%
2011	9,668	242,798	13,233	5.72%	6.63%	6.21%
2012	10,152	253,771	13,904	5.01%	4.52%	5.07%
2013	10,349	257,170	14,069	1.94%	1.34%	1.18%
2014	10,961	266,953	14,802	5.91%	3.80%	5.21%
2015	11,554	277,629	15,464	5.40%	4.00%	4.47%
Average Annual Growth - Most Recent 5 Years				4.80%	4.06%	4.43%
Average Annual Growth - Most Recent 10 Years				3.29%	3.62%	3.88%

Source: Bureau of Local Economic Analysis (<https://www.bea.gov/>)

Note-- All dollar estimates are in current dollars (not adjusted for inflation).

Last updated: March 28, 2017-- new estimates for 2016; revised estimates for 2010-2015.

* 2016 information not available.

City of South Bend, Indiana

Statistical Section Principal Employers - Current and Nine Years Ago December 31, 2016

Employer	Type of Business	2016			2007		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
University of Notre Dame	Higher Education	5,802	3.67 %	1	4,459	3.36 %	1
Beacon Health System (Memorial)	Health Care	4,683	2.96	2	3,008	2.27	3
South Bend Community School Corp	Public Schools	3,615	2.28	3	3,295	2.48	2
Saint Joseph Health System	Health Care	2,626	1.66	4	2,291	1.73	5
Indiana University South Bend	Higher Education	1,277	0.81	5	1,400	1.06	8
St. Joseph County	Government	1,240	0.78	6	2,025	1.53	6
City of South Bend	Government	1,139	0.72	7	1,230	0.93	9
AM General Corporation	Manufacturing/Assembly	800	0.51	8	2,400	1.81	4
Honeywell Aerospace	Aerospace Manufacturing	700	0.44	9			
Press Ganey	Health Care Management	694	0.44	10			
The Diocese of Fort Wayne/South Bend	Parochial Schools				1,750	1.32	7
Wal-Mart	Retail Store				1,111	0.84	10
Total Number of Employees		22,576	14.26 %		22,969	17.31 %	
Total Employees - South Bend Metropolitan Area Labor Force (1)		158,279	100.00 %		132,693	100.00 %	

Source:

Crowe Horwath CPAs and conversations with employers

(1) Bureau of Labor Statistics, Local Area Unemployment Statistics: South Bend-Mishwaka IN-MI Metropolitan Statistical Area (<https://www.bls.gov/data/>)

Operating Information

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

City of South Bend, Indiana

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

Function/program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical arrests	4,589	4,091	3,785	3,077	3,626	3,174	2,959	2,608	2,483	2,342
Parking violations	1,820	1,672	1,479	979	904	1,051	1,019	299	691	480
Traffic violations	1,626	5,901	11,746	14,163	4,236	7,561	2,180	1,487	4,327	6,437
Fire										
Emergency responses	14,822	15,123	14,341	15,578	15,408	15,720	15,865	15,902	15,340	15,886
Fires extinguished	279	264	264	225	251	214	220	227	213	236
Inspections	4,302	4,467	4,205	4,233	3,553	3,325	2,273	3,133	3,778	2,148
Refuse collection										
Refuse collected (tons per day) (1)	267	137	70	120	123	128	122	128	149	139
Other public works										
Street resurfacing (miles)	16.50	14.70	14.50	20.30	18.10	16.90	21.00	22.00	17.10	20.19
Potholes repaired (tonnage)	923.00	898.00	629.22	380.00	332.32	117.21	691.00	826.25	526.05	462.10
Parks and recreation										
Athletic field permits issued	1,000	738	700	381	227	133	93	120	113	427
Fitness Center Admissions	63,088	70,193	74,438	60,118	67,408	61,002	63,671	67,428	64,547	67,294
Water										
New billable housing starts	321	299	194	179	144	160	242	141	108	189
Water mains breaks	105	72	87	76	60	66	80	134	99	53
Average daily consumption (thousands of gallons)	19,042	18,280	16,100	15,955	15,600	16,600	15,300	11,000	14,500	14,640
Wastewater										
Average daily sewage treatment (thousands of gallons)	35,970	37,800	41,200	30,861	35,800	31,770	30,690	31,991	30,200	43,874

Sources: Various city departments

(1) 2007 and prior years were in cubic yards

City of South Bend, Indiana

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

Function/program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	25	19	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	1	1	1
Rescue units	32	32	33	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	22	22	21	23	23	19	19	19	19	19
Other public works										
Streets (miles)	500	500	532	532	499	525	525	525	525	525
Streetlights	1,170	1,242	2,500	2,500	2,500	2,700	2,700	3,000	3,015	3,015
Traffic signals	160	160	162	162	164	165	167	162	158	164
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	48
Baseball/softball diamonds	27	27	27	27	27	27	27	27	27	27
Soccer/football fields	17	17	17	17	17	19	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash Pads	4	4	5	5	5	5	6	6	6	7
Community center	5	5	5	5	5	5	5	3	3	3
Water										
Water mains (miles)	558	560	560	580	582	583	584	583	583	583
Fire hydrants	4,000	5,081	5,317	5,345	5,377	5,401	5,436	5,448	5,439	5,459
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	534	534	534	528	526	527	527	527
Storm sewers (miles)	200	200	200	127	127	133	133	133	133	155
Treatment capacity (thousands of gallons)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000

Sources: Various city departments

City of South Bend, Indiana

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

Year	Residential Number of Permits	Residential Value (in 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)
2007	103	\$ 18,314	28	\$ 27,082	1,907	\$ 28,720	5	\$ 6,612	\$ 80,728	-16.6%
2008	55	10,032	15	44,678	1,662	29,685	1	2,416	86,811	7.5%
2009	48	8,467	10	29,451	1,627	28,785	-	-	66,703	-23.2%
2010	35	7,450	5	28,283	1,221	25,998	-	-	61,731	-7.5%
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	-36.3%
2012	45	9,827	11	21,247	-	-	2	2,291	33,365	-15.2%
2013	50	15,136	8	4,954	-	-	1	160	20,250	-39.3%
2014	51	13,101	12	10,392	-	-	-	-	23,493	16.0%
2015 (1)	77	18,615	70	415,219	-	-	6	28,460	462,294	1867.8%
2016	61	15,215	22	53,622	-	-	-	-	68,837	-85.1%

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, Indiana

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

<u>Department</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>	<u>2016</u>
<u>General Government</u>										
Mayor's Office	10.00	9.00	8.00	7.00	7.00	6.00	6.00	7.00	7.00	6.00
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/Information Tech	31.00	29.00	26.00	26.00	27.00	22.00	20.00	21.00	18.00	26.00
Legal Department	15.00	15.00	9.00	9.00	9.00	9.00	10.00	10.00	12.00	11.00
Engineering	18.50	18.50	16.00	19.00	17.00	15.00	13.00	14.00	16.00	18.00
311 Call Center	-	-	-	-	-	-	5.00	7.00	7.00	7.00
Safety and Risk	-	-	-	-	-	3.00	3.00	3.00	2.00	2.00
Human Rights	-	-	-	-	-	6.00	6.00	6.00	6.00	6.00
<u>Public Safety</u>										
Police Department	320.00	317.00	279.00	293.00	293.00	291.00	291.00	295.00	300.00	287.00
Communication Center	30.00	30.00	37.00	38.00	35.00	35.00	33.00	34.00	0.00	0.00
Fire Department	254.00	254.00	246.00	255.00	258.00	249.00	255.00	257.00	259.00	268.00
Building Maintenance	7.00	7.00	4.00	3.00	3.00	-	-	-	-	3.00
<u>Culture and Recreation</u>										
Parks and Recreation (2)	122.00	121.00	111.00	113.00	114.00	114.00	113.00	87.00	88.00	89.00
Convention and Events Management (1)	16.00	15.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	12.00
<u>Economic Development</u>										
Department of Community Investment	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00	23.00
<u>Highways and Streets</u>										
Street Department	54.00	54.00	51.00	52.00	56.00	52.00	60.00	59.00	53.00	59.00
Traffic & Lighting	11.00	11.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Enterprise Funds</u>										
Water Works	86.00	80.00	82.00	75.00	74.00	73.00	70.00	68.00	67.00	65.00
Wastewater	54.50	56.50	48.00	51.00	49.00	46.00	45.00	42.00	43.00	44.00
Organic Resources (formerly in Wastewater)	-	-	-	-	-	6.00	6.00	6.00	6.00	6.00
Sewer	28.00	28.00	33.00	35.00	36.00	39.00	34.00	33.00	30.00	31.00
Solid Waste	26.00	26.00	26.00	26.00	23.00	24.00	26.00	22.00	21.00	25.00
Building Department	22.00	22.00	15.00	13.00	13.00	13.00	14.00	13.00	13.00	14.00
Code Enforcement/Animal Care & Control	27.00	27.00	27.00	23.00	25.00	25.00	24.00	23.00	23.00	26.00
<u>Internal Service Fund</u>										
Central Services	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00	37.00
Total Positions	1,230.00	1,213.00	1,116.00	1,132.00	1,133.00	1,122.00	1,131.00	1,098.00	1,060.00	1,079.00

City of South Bend, Indiana

Statistical Section Full-Time City Government Employees by Department (Continued) Last Ten Fiscal Years

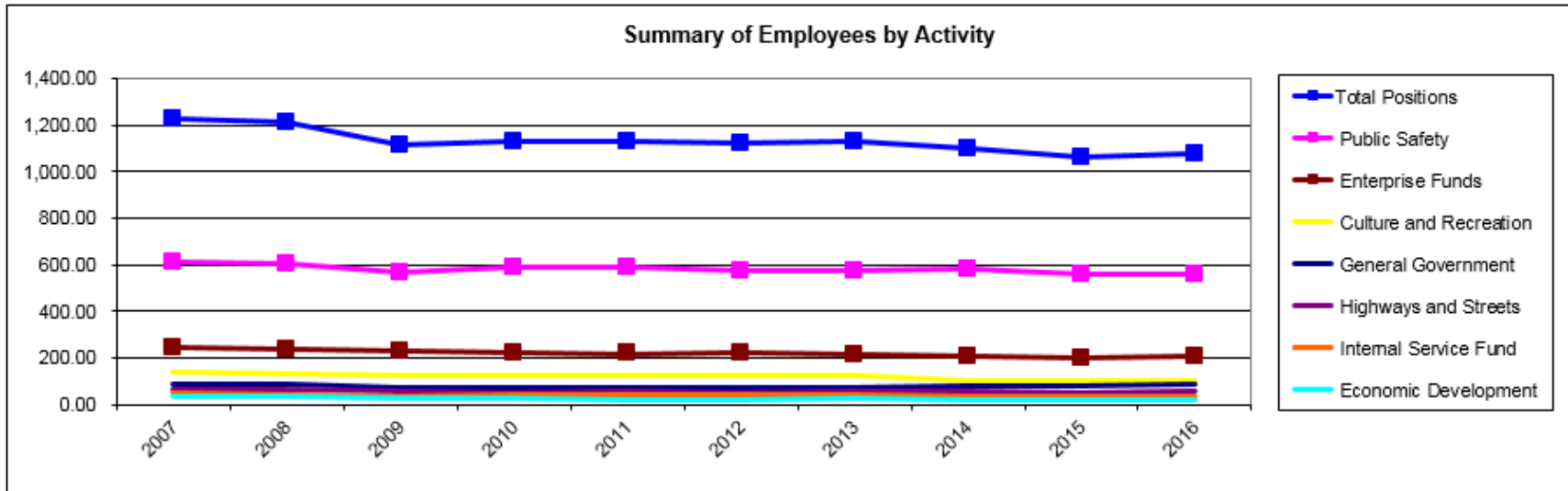
<u>Department</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Summary by Activity										
General Government	88.50	85.50	73.00	75.00	74.00	75.00	77.00	82.00	82.00	90.00
Public Safety	611.00	608.00	566.00	589.00	589.00	575.00	579.00	586.00	559.00	558.00
Culture and Recreation	138.00	136.00	124.00	126.00	128.00	128.00	127.00	101.00	102.00	101.00
Economic Development	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00	23.00
Highways and Streets	65.00	65.00	57.00	52.00	56.00	52.00	60.00	59.00	53.00	59.00
Enterprise Funds	243.50	239.50	231.00	223.00	220.00	226.00	219.00	207.00	203.00	211.00
Internal Service Fund	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00	37.00
Total Positions	1,230.00	1,213.00	1,116.00	1,132.00	1,133.00	1,122.00	1,131.00	1,098.00	1,060.00	1,079.00

Excludes seasonal, part-time and temporary positions

(1) Includes reduction of 34 positions in the City's convention facility (Century Center) during 2007. Century Center is being managed by a private company under an agreement with the City of South Bend.

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

Source: City of South Bends Performance Based Budgets and personnel records



City of South Bend, Indiana

Statistical Section Salary Rate Comparison 1990 - 2016

Year	-----1st Class Patrol Officer-----		---1st Class Fire Fighter---		Non-bargaining	Teamsters
	Percent	Base Salary	Percent	Base Salary		
1990	3.62%	\$ 20,071	4.74%	\$ 19,869	3.00-4.00%	.25 per hour
1991	0.92%	20,256	2.52%	20,369	3.00%	.25 per hour
1992	4.69%	21,206	2.45%	20,869	3.00%	.30 per hour
1993	0.44%	21,300	5.00%	21,912	4.24%	0.00%
1994	2.35%	21,800	0.00%	21,912	1.50% + \$300 bonus	.15 per hour
1995	4.82%	22,850	3.00%	22,569	1.50% + \$300 bonus	.30 per hour
1996	4.38%	23,850	5.00%	23,697	3.00%	.27 per hour
1997	4.19%	24,850	4.87%	24,850	3.00%	.33 per hour
1998	4.63%	26,000	0.60%	25,000	3.00%	.37 per hour
1999	3.85%	27,000	2.60%	25,650	3.25%	3.50%
2000	5.56%	28,500	9.34%	28,045	3.50%	3.50%
2001	9.74%	31,275	11.52%	31,275	3.50%	4.00%
2002	4.50%	32,682	4.03%	32,534	4.00%	4.00%
2003	5.57%	34,504	4.04%	33,850	4.00%	4.00%
2004	6.01%	36,578	5.17%	35,600	4.00%	4.00%
2005	9.36%	40,000	12.36%	40,000	4.00%	4.00%
2006	2.50%	41,000	2.00%	40,800	2.00%	4.25%
2007	2.50%	42,025	2.50%	41,820	\$750/0%	.38 per hour
2008	3.50%	43,496	3.50%	43,285	3.00%	3.00%
2009	2.20%	44,453	2.00%	44,150	2.00%	2.00%
2010	0.00%	44,453	6.80%	47,150	2.00%	2.00%
2011	11.50%	49,563	4.06%	49,066	2.00%	0.00%
2012	2.00%	50,554	2.00%	50,047	2.00%	2.00%
2013	2.50%	51,818	3.00%	51,550	2.00%	2.00%
2014	2.50%	53,113	3.00%	53,100	2.00%	2.00%
2015	2.20%	54,281	2.20%	54,268	2.00%	2.00%
2016	2.20%	55,475	2.20%	55,462	2.00%	2.00%

Source - City of South Bend personnel records

City of South Bend, Indiana

Statistical Section Insurance Coverage 2016

Type of Coverage		Limits of Liability	Estimated Annual Premium
LIABILITY			
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	4/26/16 - 17	\$1,000,000	\$1,739 Premium
Special Events (Arbor Day/Rum Village Aerial)	4/20/16 - 17	\$1,000,000	\$2,510 Premium
CRIME			
Public Employee Dishonesty	12/31/16 - 17	\$1,000,000	\$9,374 Premium
PROPERTY			
	7/1/16 - 17		
All risk blanket building & contents		\$550,000,000	\$391,075 Premium
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	1/15/16 - 17	\$670,000	\$8,071 Premium
Eddy Street Commons Parking Garage	3/2/16-17		
Building & Infrastructure		\$36,000,000	\$26,115 Premium
Business Income & Rental Value		\$15,000,000	Included in above
Flood		\$25,000,000	Included in above
Earthquake		\$25,000,000	Included in above
OTHER			
	1/1/16 - 17		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$50,000 Fee
Excess Over Self-insured \$250,000 Retention Each Accident		Statutory	\$133,984 Premium/Fee

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

City of South Bend, Indiana

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

Year	Banks		Savings and Loans		Credit Unions		Total Deposits	Percent Increase/ (Decrease)
	Branches	Deposits	Branches	Deposits	Branches	Deposits		
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%
2016	39	2,607,360	1	25,077	n/a	3,262,413	5,894,850	5.9%
Banks			Credit Unions					
Ist Source Bank		\$ 1,339,031	51.36%	Teacher's Credit Union		\$ 2,335,918	71.60%	
Key Bank		483,104	18.53%	Notre Dame Federal Credit Union		442,906	13.58%	
Wells Fargo		255,487	9.80%	Community Wide Credit Union		329,508	10.10%	
Others		529,738	20.31%	AAA Federal Credit Union		52,355	1.60%	
Total		\$ 2,607,360	100.00%	Policemen's Federal Credit Union		49,136	1.51%	
				Others		52,590	1.61%	
				Total		\$ 3,262,413	100.00%	

n/a - information is not available

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

Sources:

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

City of South Bend, Indiana

Statistical Section Miscellaneous Statistics (Continued) December 31, 2016

South Bend International Airport Passenger Volume

Year	Airline Enplanements	South Shore Train	Bus to O'Hare/ Midway
2012	296,590	272,364	33,668
2013	314,114	257,997	31,058
2014	301,878	251,426	37,315
2015	314,300	248,506	34,394
2016	328,897	243,920	34,145

On average, more than 1,600 airline passengers travel through South Bend International every day.

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%

*2016 information not available

Transpo

South Bend Public Transportation Corporation

	2015	2016
Motor Bus (Fixed Route)		
Route Miles	287.0	287.8
Ridership	1,873,416	1,676,030
Miles of Service	1,341,234	1,358,176
Revenue Miles	1,271,031	1,283,562
Demand Response (ACCESS)		
Ridership	66,604	65,099
Total Miles	365,787	342,319
Revenue Miles	327,563	306,798

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	
	2015	2016
University of Notre Dame *	12,292	12,292
Indiana University at South Bend	7,574	7,185
Bethel College	1,600	1,639
St. Mary's College	1,557	1,606
Holy Cross College *	530	530
Trine University - South Bend	78	75
Purdue University South Bend	158	130

Technical Colleges

	Enrollment	
	2015	2016
IVY Tech Community College *	3,214	3,214

* 2016 information not available

Convention Facilities

Century Center	75,000 square feet of exhibit space 2,270 max available seating 694 seat theater
Morris Performing Arts Center	2,500 available seating
Hotels/Motels	25 Hotels/Motels 3 Bed & Breakfasts

Major hotels and meeting rooms:
DoubleTree by Hilton facilities to seat 600
Waterford Estates Lodge facilities to seat 500
The Morris Inn facilities to seat 400

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:

Beacon Health Systems (Memorial Hospital) 525 beds

Communications

Access to:

4 Major Television Networks: NBC (WNDU), ABC (WBND), CBS and FOX (WSBT)
1 Public Broadcasting Television Station (WNIT)
2 Local Television Stations (WHME, WJSV)
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

7,922 YOUTHS SERVED 
through MADE program at MLK Center.

 **4 MILLION POUNDS**
of litter and debris abated by the NEAT crew in 2016.

OVER ONE MILLION PEOPLE
in attendance at South Bend Cubs, Potawatomi Zoo, Morris Performing Arts Center and events and recreation programming. 10% increase over 2015 and setting a new record!



380,000 ATTENDEES
at Venues, Parks & Arts programs and events.

The City's new Employee Health & Wellness Center opened for employee use in January. The clinic recorded a total of

5,563 APPOINTMENTS. 

3,000th instance of graffiti abated in the 5 year life of the clean and safe patrol program.

Legal Department drafted the City's first dog park lease, leading to the successful opening of the City's first dog park.



188 properties were removed from Vacant and Abandoned List.

\$261,000,000 in private investment in 2016 created

300 RESIDENTIAL UNITS 
downtown plus an additional **400 UNITS**
in Eddy St phase II and **300 JOBS.** 

We introduced our **DIVERSITY AND INCLUSION** plan with 23 key performance indicators and 62 action items.

AA
BOND RATING

Bond refunding saved taxpayers **\$160,000** in 2016.

And a total of **\$9,067,367** in bond refunding savings has been realized since Mayor Pete assumed office in 2012.

77,691 FEET
of new or replaced sidewalk installed by Public Works.

60,295 FEET
of new or replaced curb installed by Public Works.

 **769** ADA Curb Ramps were installed.

36.5 MILES of lanes were paved in 2016.

 **5.2 BILLION GALLONS** of safe drinking water and fire protection for a safer community. 

103,183 CALLS for Police service, 6,500 more than in 2015  Use of Force and complaints down

The South Bend Fire Department responded to **20,000+ EMERGENCY CALLS FOR SERVICE** and achieved ISO level 2. 

150,431 CALLS ANSWERED 
by 311, with an average 35 second wait time.

1,809 PUBLIC RECORDS REQUESTS were processed by the Legal Department in 2016, bringing the Administration total to 9,722.

City negotiated agreements with Pokagon Band of Potawatomi Indians and Pokagon Gaming Authority to result in guaranteed annual

\$2 MILLION in city revenue and estimated **\$5 MILLION** community donation impact.

 **874 LANDLORDS & PROPERTY MANAGERS** registered **5,100 PROPERTIES** 
through Code Enforcement's Landlord Registration.

 **\$2.75 MILLION** of savings and efficiencies realized through Innovation & Technology.