

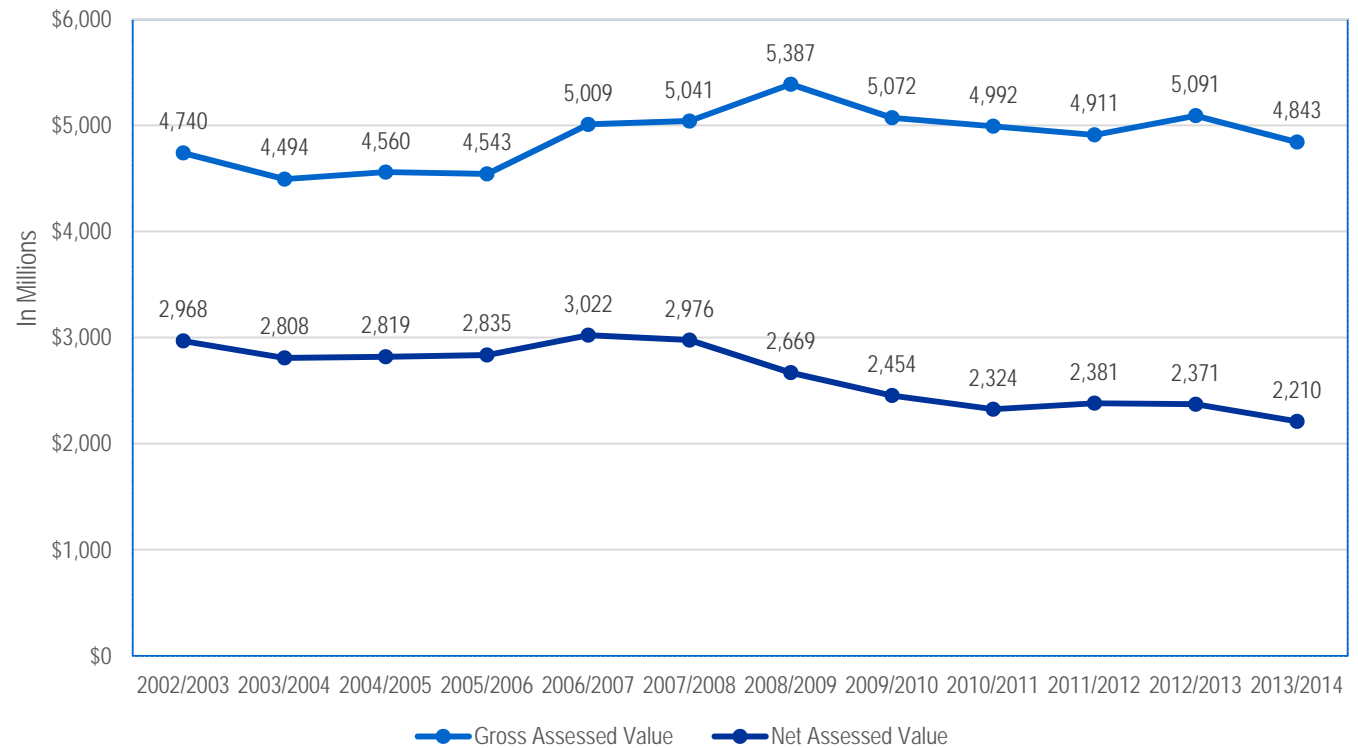
City of South Bend, Indiana

Fiscal Stability

Performance Indicators	2013	2014	Progress
City Real & Personal Property Values (Net Assessed Value in Billions of \$)	\$2.371	\$2.210	↓
Annual General Fund Expenditures per Capita	\$723.96	\$658.25	↑
General Fund Balance as % of Expenditures	37.78%	41.43%	↑
Bond Rating (Standard & Poor's)	AA	AA	↔
Debt per Capita	\$2,487.77	\$2,351.12	↑
Debt as % of Net Assessed Valuation (NAV)	10.61%	10.76%	↓
Full Time Employees per 1,000 residents	11.2	10.9	↑
Property Tax Revenue (All Funds)	\$69,980,288	\$72,034,021	↑
Local Option Income Tax Revenue	\$21,916,677	\$23,822,661	↑

Performance Key: ↑ Improving ↔ Staying about the same ↓ Declining

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



Why is this important?

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

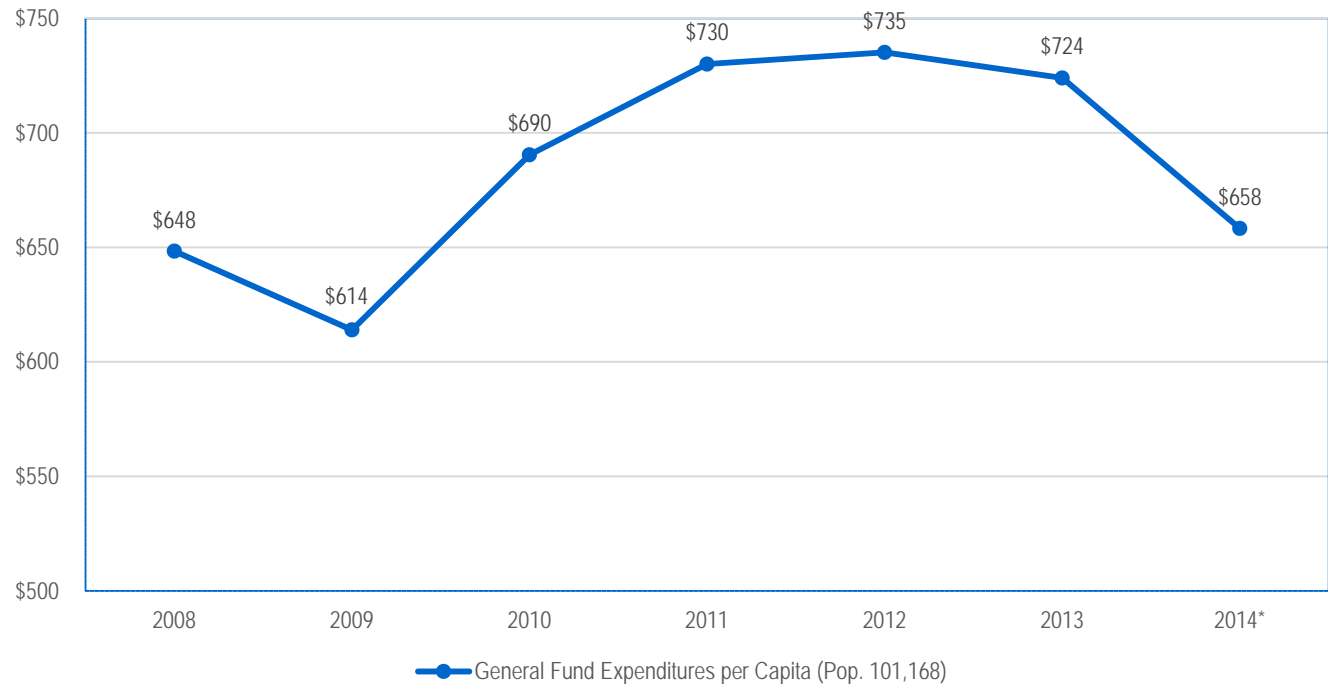
City of South Bend, Indiana General Fund Budget and Finances

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

*Decrease in revenue and expenditures in 2014 due to paying a portion of Police and Fire salaries directly from the PS LOIT Fund.

City of South Bend, Indiana

Annual General Fund Expenditures per Capita



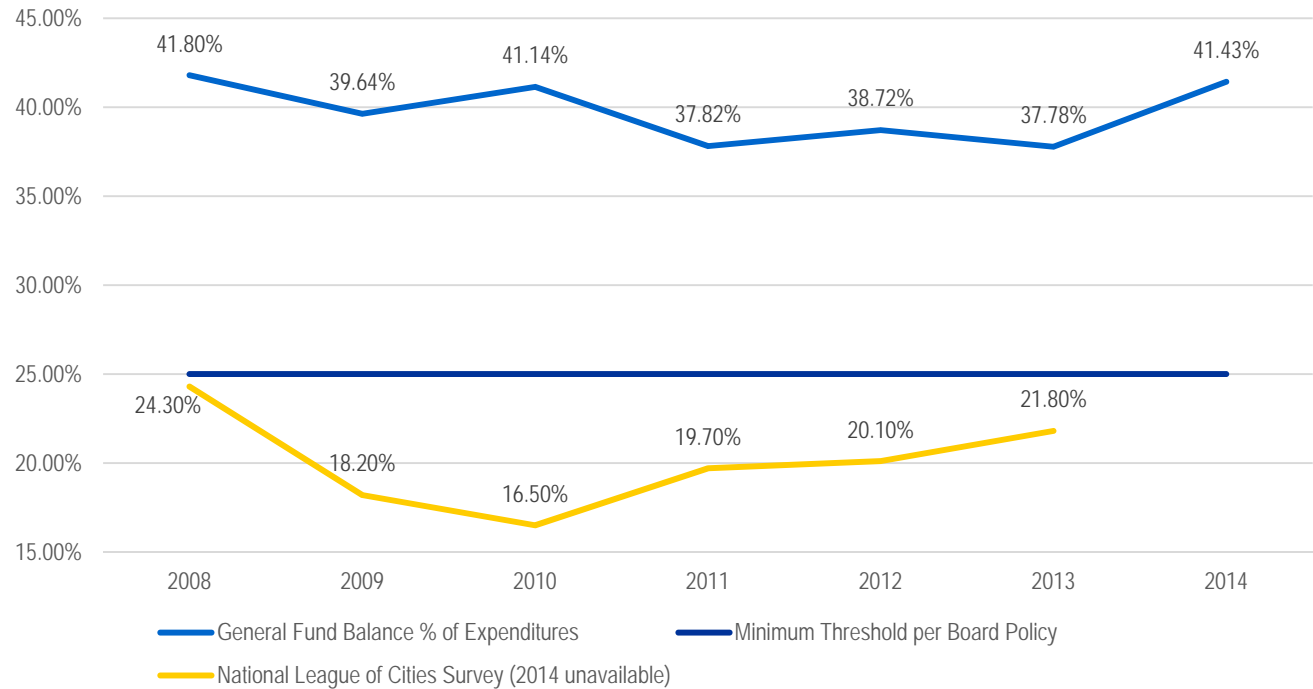
Why is this important?

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

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

City of South Bend, Indiana

General Fund Balance % of Expenditures



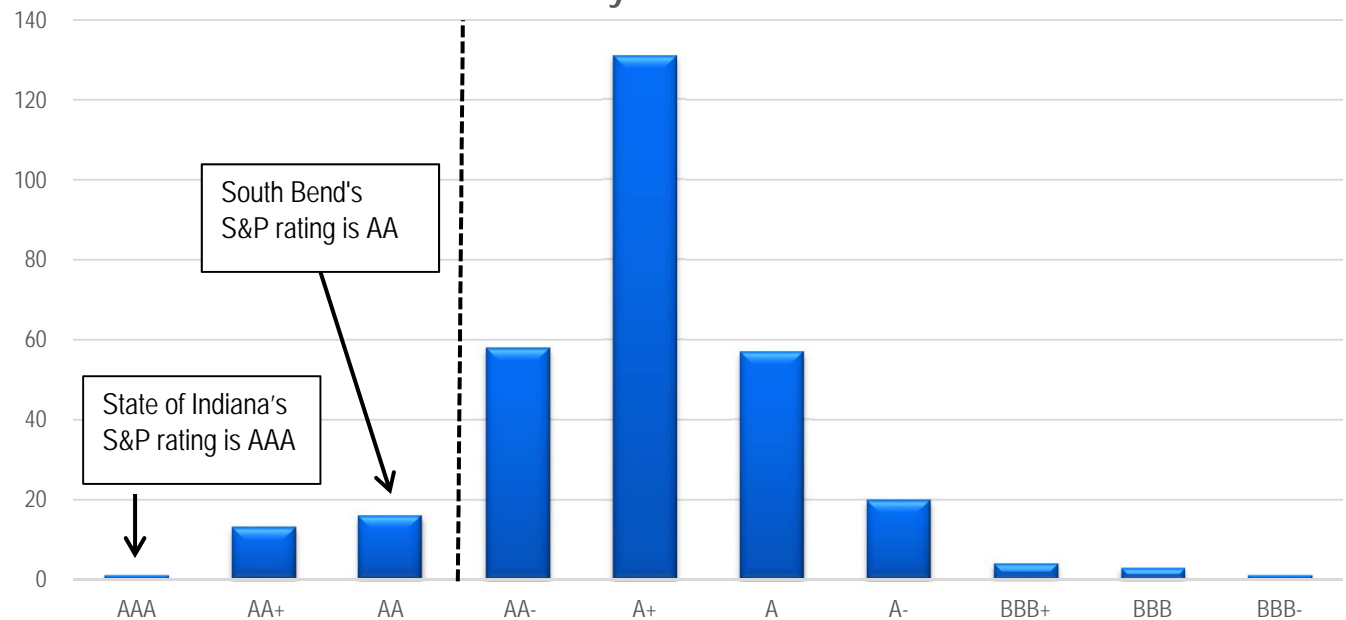
Why is this important?

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

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

City of South Bend, Indiana Bond Rating

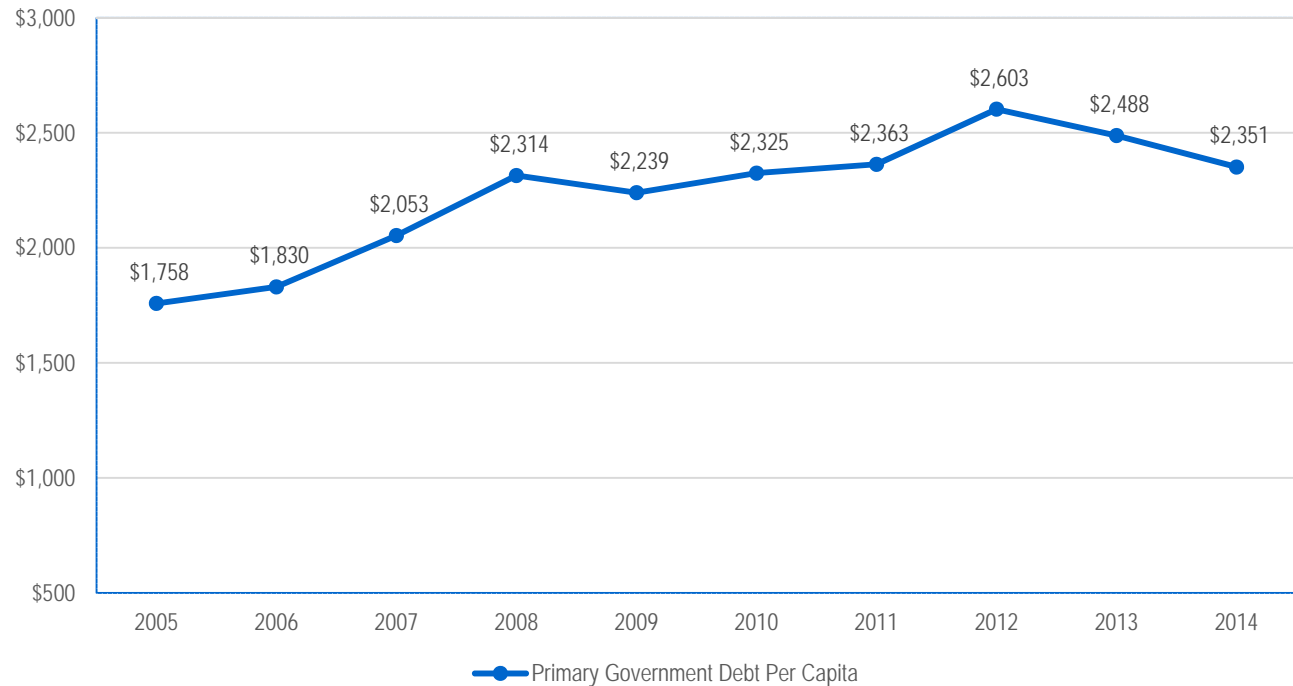
Indiana Local Government Standard & Poor's Bond Ratings
July 2014



Why is this important?

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

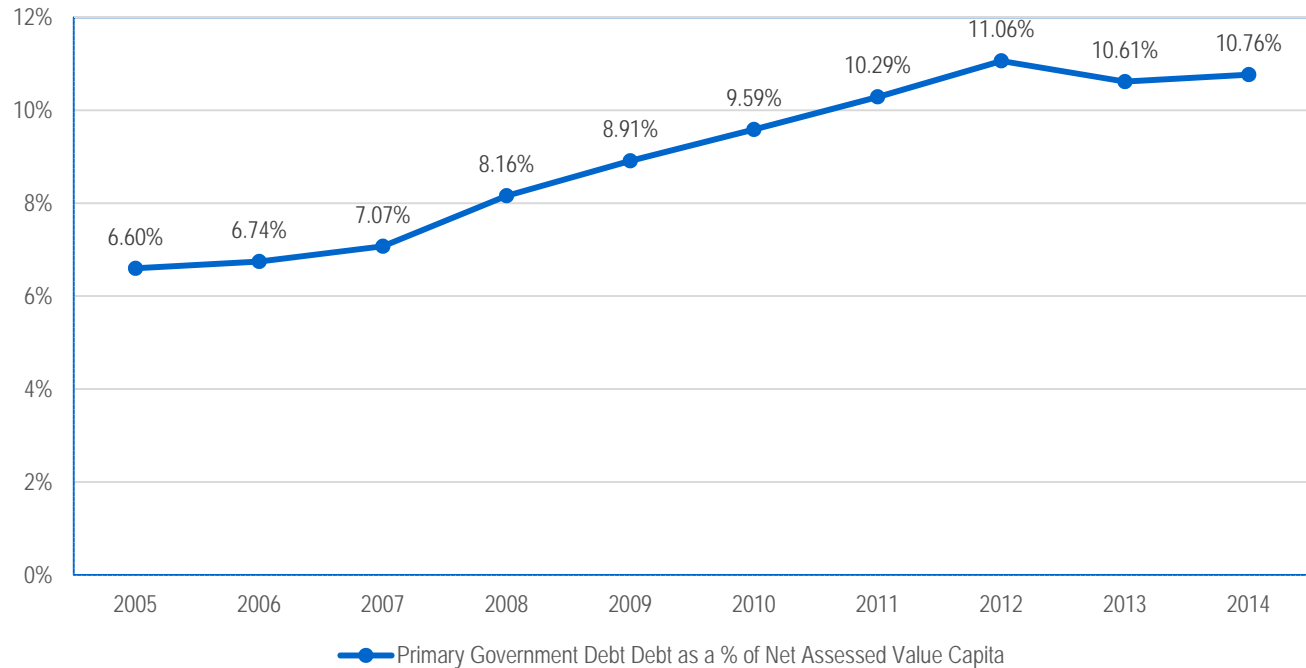
City of South Bend, Indiana Debt per Capita



Why is this important?

The City of South Bend issues long-term debt for large capital projects, such as local water and sewer projects, SMART Streets, and Park Improvements. Its debt burden is the outstanding principal balance of financing these activities.

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

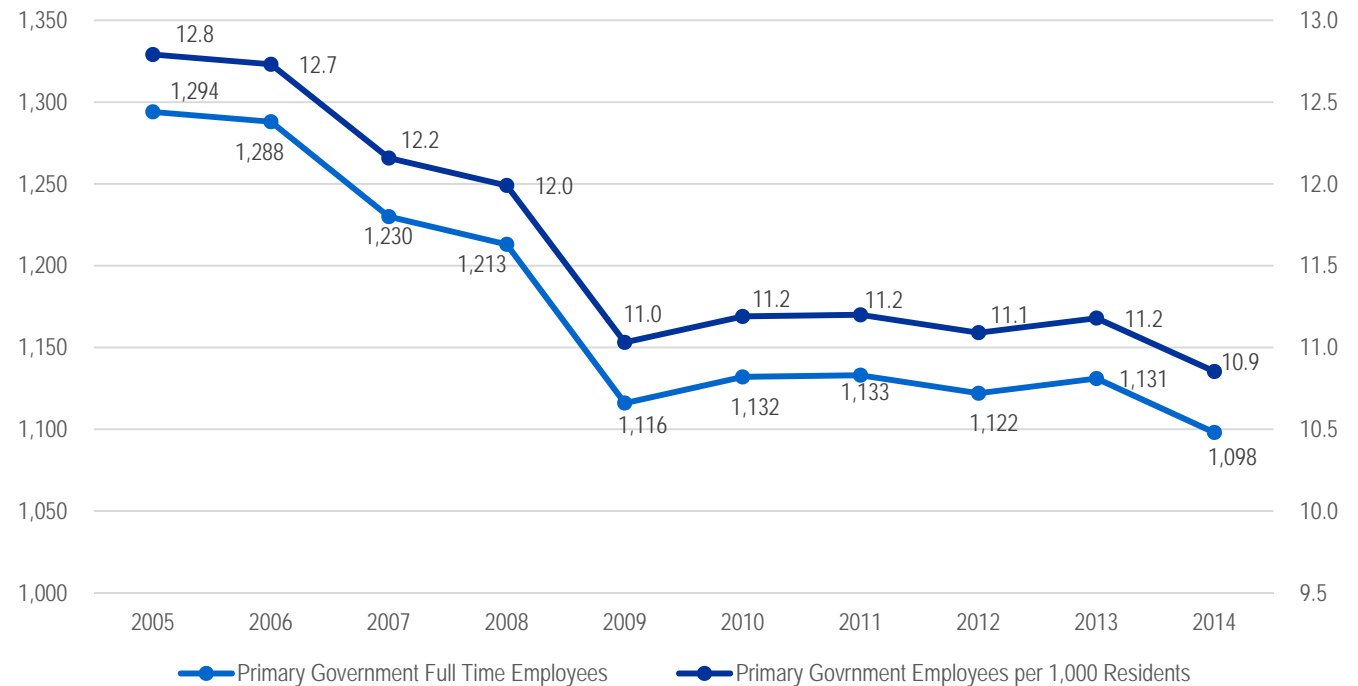


Why is this important?

The lower the debt to Net Assessed Valuation ratio, the more financially healthy a community is. City borrowing in recent years includes revenue bonds for the Sewer Long-Term Control Plan that will be funded with higher sewer rates. New Sewer bonds were not issued during 2013 and 2014.

Note: The ratio is higher in the most recent years is partially due to a decline in the net assessed values due to a decline in the overall economy. Actual debt levels have been decreasing year over year.

City of South Bend, Indiana Full Time Number of Employees



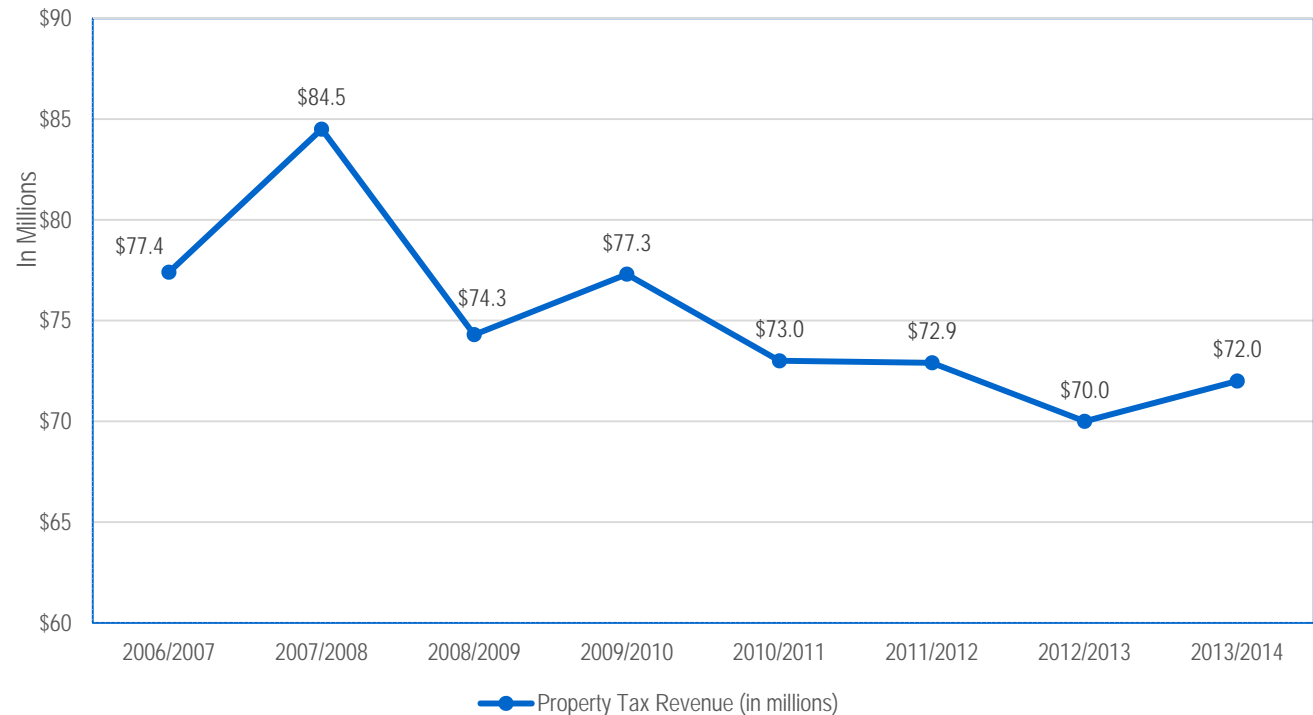
Why is this important?

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

Note: The change in full time employees vs. employees per 1,000 residents is due mainly layoffs due to circuit breaker issues and the privatization of the zoo and the management of the convention center. (2010 Census population of 101,168 used for calculation.)

City of South Bend, Indiana

Property Tax Revenue – All Funds – Cash Basis

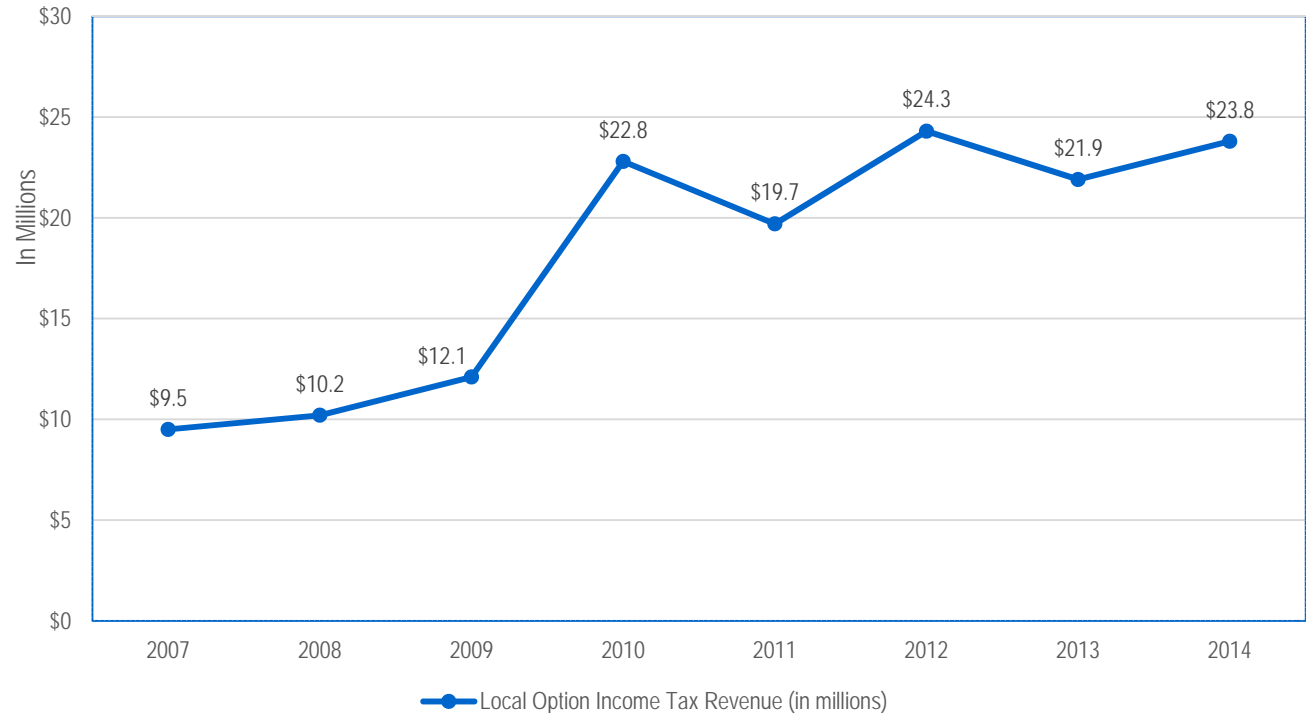


Why is this important?

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

City of South Bend, Indiana

Local Option Income Tax Revenue - Cash Basis



Why is this important?

Local option income taxes (COIT, CEDIT, PS LOIT) are an important source of revenue for governmental operations, including public safety and capital projects. Effective for fiscal year 2010, Local Option Income Tax rates were increased in response to State Legislation reducing property tax revenue.