



## CITY OF SOUTH BEND

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING ON DECEMBER 31, 2017

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CITY OF SOUTH BEND, INDIANA

Pete Buttigieg, Mayor

Jennifer Hockenhill, City Controller

**FILED**

08/09/2018

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

June 30, 2018

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, 2017** 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, 2016. 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 Uniform Guidance, 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 2017 suggest that the city continues to experience growth, 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 269,141, 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 136,588 workers (2016, 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 87.7% of the area's adult population are high school graduates or higher (as compared to the national average of 87.0%) with an estimated 28.2% with a Bachelor's Degree or higher. There are nine 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; and Ivy Tech Community College. The St. Joseph County 2017 Annual Average Unemployment was 3.6%, which is slightly higher than the State of Indiana unemployment rate of 3.3%. The unemployment rate in St. Joseph County is similar to the surrounding counties—Elkhart (2.5%), LaPorte (4.5%), and Marshall (3.0%) in Indiana and Cass (4.7 %) and Berrien (5.0 %) in Michigan (2017 Annual Average).

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 2012-2016 American Community Survey 5-Year Estimates Civilian Employed Population):

<b><u>Economic Sector</u></b>	<b><u>Number Employed</u></b>	<b><u>% of Total</u></b>
Educational Services, Healthcare, Social Assistance	35,343	28.6%
Manufacturing	21,558	17.4%
Retail Trade	13,912	11.3%
Arts, Entertainment, Recreation, Accommodation, Food Services	11,247	9.1%
Professional, Scientific, Management, Administrative, Waste Management Services	9,758	7.9%
Finance and Insurance, Real Estate, Rentals, Leasing	6,153	5.0%
Construction	5,583	4.5%
Other Services, except Public Administration	5,730	4.6%
Transportation and Warehousing, and Utilities	4,779	3.9%
Public Administration	3,552	2.9%
Wholesale Trade	3,520	2.8%
Information	2,100	1.7%
Agriculture, Forestry, Fishing, Hunting, Mining	<u>431</u>	<u>0.3%</u>
<b>Total</b>	<b>123,666</b>	<b>100.0%</b>

St. Joseph County presently has an estimated 100,861 households with an average per capita personal income of \$44,568, which compares to the State of Indiana average per capita personal income of \$43,091 and the United States per capita personal income of \$49,204. The per capita income in St. Joseph County compares favorably with most of its surrounding counties—Elkhart (\$41,712), La Porte (\$38,216), and Marshall (\$38,407) in Indiana and Cass (\$40,294) and Berrien (\$44,007) in Michigan.

Health and education lead the employment statistics for St. Joseph County. The largest employers in St. Joseph County as of August 2017 were as follows: Beacon Health Systems (7,088); University of Notre Dame (6,086); South Bend Community School Corporation (3,432); Indiana University – South Bend (1,401); St. Joseph County (1,377); City of South Bend (1,285); AM General (1,200); Honeywell International, Inc. (850); and Press Ganey Associates, Inc. (688).

**The following provides a profile of the residents of St. Joseph County (US Census Bureau 2012-2016 American Community Survey 5-Year):**

Gender %, male/female:	48.5% male; 51.5% female
Age:	27.5% under 20 7.7% 20-24 years of age 24.9% 25-44 years of age 25.6% 45-64 years of age 14.3% 65 years of age and older
Race:	74.0% White 12.7% Black/African American 8.1% Hispanic/Latino 2.1% Asian 3.1% Other
Home Ownership:	68.1% own; 31.9% 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 fourth quarter of 2017, the median sales price for a single-family home in the South Bend-Mishawaka Statistical Area was \$119,800 as compared to a median sales price of \$236,800 in Chicago and \$172,400 in Indianapolis. The national median sales price is \$247,800.

Between January 2016 and December 2017 the City of South Bend has seen approximately \$338 million in private investment and the announcement of roughly 940 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. City investments 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 17,700 students in grades pre-kindergarten through 12. An estimated 5,314 students attend private or parochial schools within the City. The nine institutions of higher education and technical training located within the South Bend area have a total enrollment of approximately 27,000. 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 review internal controls to determine the auditing procedures that are appropriate under the circumstances, 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, 2017 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 if 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 \$33.9 million dollars) but this revenue loss has been offset by cost savings and the adoption of local option income taxes 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. In his second term as Mayor for the City of South Bend, Mayor Pete has entered the national political scene and has been promoting the City of South Bend at the national level as a city based on best practices and innovative ideas.

**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**

	<b>In the administration</b>	<b>In the community</b>
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, 2016. This was the 27th 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.

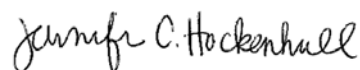
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **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, John Rucano III 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,



Jennifer Hockenhull, CPA  
City Controller



Government Finance Officers Association

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

Presented to

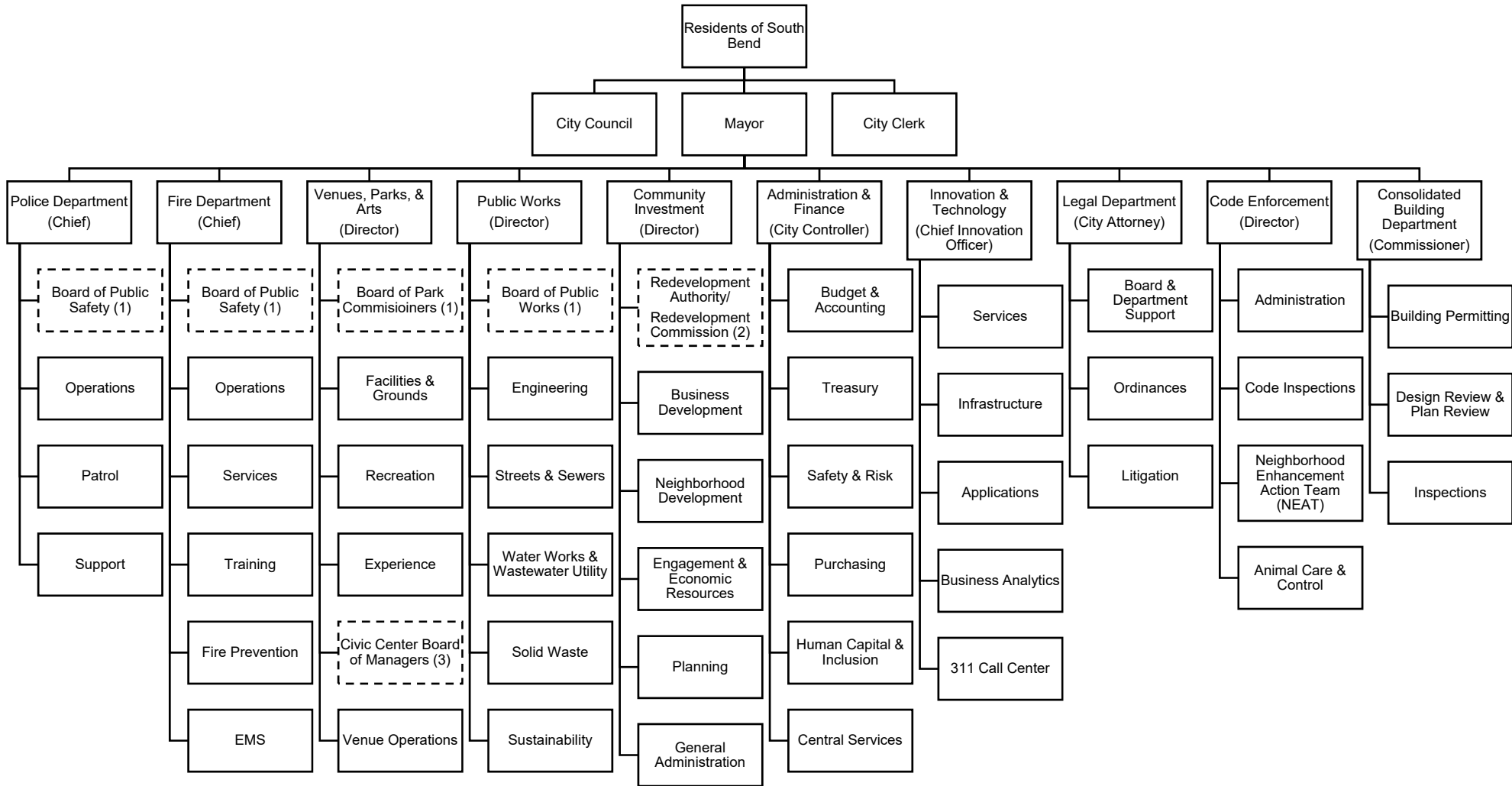
**City of South Bend  
Indiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

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
- (3) Board Members include 5 mayoral appointees and 4 council appointees

CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Pete Buttigieg	01-01-16 to 12-31-19
Controller	John Murphy Jennifer Hockenhill	01-01-17 to 07-20-17 07-20-17 to 12-31-19
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 12-31-18
Common Council Members		
1 <sup>st</sup> District	Tim Scott	01-01-16 to 12-31-19
2 <sup>nd</sup> District	Regina Williams-Preston	01-01-16 to 12-31-19
3 <sup>rd</sup> District	Randy Kelly	01-01-16 to 02-10-18
3 <sup>rd</sup> District	Sharon McBride	02-24-18 to 12-31-19
4 <sup>th</sup> District	Jo M. Borden	01-01-16 to 12-31-19
5 <sup>th</sup> District	David Varner	01-01-16 to 05-15-18
5 <sup>th</sup> District	Jake Teshka	06-06-18 to 12-31-19
6 <sup>th</sup> 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



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Bend (City), as of and for the year ended December 31, 2017, 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, 2017, 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 Fund Descriptions, Combining Balance Sheet, Combining Statement of Revenue, Expenditures and Changes in Fund Balances, Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, Combining Statements of Net Position, Combining Statements of Revenue, Expenses, and Changes in Net Position, Combining Statements of Cash Flows, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Changes in Assets and Liabilities, and Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.


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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2018, 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 solely 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 the effectiveness of the City's 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 14, 2018

## 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, 2017**.

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

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.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

### Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2017	2016	2017	2016	2017	2016
Assets/deferred outflows	\$ 543,902,663	\$ 516,480,560	\$ 313,897,918	\$ 320,179,055	\$ 857,800,581	\$ 836,659,615
Liabilities/deferred inflows	381,676,808	353,797,922	109,507,976	117,568,564	491,184,784	471,366,486
<b>Net position</b>						
Net investment in capital assets	155,912,682	161,341,318	145,585,038	145,288,974	301,497,720	306,630,292
Restricted	9,245,531	8,669,117	29,623,015	31,963,852	38,868,546	40,632,969
Unrestricted	-2,932,358	-7,327,797	29,181,889	25,357,665	26,249,531	18,029,868
<b>Total net position</b>	<b>\$ 162,225,855</b>	<b>\$ 162,682,638</b>	<b>\$ 204,389,942</b>	<b>\$ 202,610,491</b>	<b>\$ 366,615,797</b>	<b>\$ 365,293,129</b>
Change vs. prior year	\$ (456,783)	\$ 21,822,743	\$ 1,779,451	\$ 7,799,078	\$ 1,322,668	\$ 29,621,821
Expenses	160,322,797	134,519,353	71,240,609	64,067,328	231,563,406	198,586,681
Revenues	155,742,831	152,661,080	77,143,243	75,547,422	232,886,074	228,208,502

- Government-wide net position was \$366,615,797 as of December 31, 2017.
- Government-wide net position increased by \$1,322,668 or 0.4% during fiscal 2017. Governmental activity net position decreased by \$456,783 or 0.3% and business-type activity net position increased by \$1,779,451 or 0.9% during fiscal 2017. On an overall basis, the City is better off financially at December 31, 2017 than it was at December 31, 2016 on a government-wide financial basis. The primary reason is that the City received slightly higher than expected property taxes in 2017 and the Wastewater activities accumulated reserves to fund capital projects in the future.
- Total assets and deferred outflows of resources as of December 31, 2017 of \$857,800,581 increased by \$21,140,966 or 2.5% as compared to total assets and deferred outflows of resources as of December 31, 2016. The increase is mainly attributable to the closing of two bonds near the end of the year in which proceeds were received and deposited into the City's bank accounts but for which expenditures were not yet made.
- Total liabilities and deferred inflows of resources as of December 31, 2017 of \$491,184,784 increased by \$19,818,298 or 4.2% as compared to total liabilities and deferred inflows of resources as of December 31, 2016. The primary reason for this increase is related to the offsetting cash received in bond proceeds near the end of the year.
- As of December 31, 2017, the government-wide net position of \$366,615,797 has \$301,029,936 invested in capital assets (net of debt) which is not available for spending, \$39,291,227 classified as restricted for debt service; capital outlay; and other; and \$26,294,634 classified as unrestricted.
- Government-wide revenue received in fiscal 2017 totaled \$232,886,074, an increase of \$4,677,572 or 2.0% versus government-wide revenue received in fiscal 2016. Governmental activity revenue increased by \$3,081,751 or 2.0%, and business-type activity revenue increased by \$1,595,821 or 2.0%. Governmental activity revenue increases are due mainly to increases in overall property taxes and the increase in the business-type activity revenue is due mainly to a 5% surcharge for wastewater customers who live outside City limits as well as increases in solid waste fees during 2017.

# Management's Discussion and Analysis (Continued)

- Government-wide expenses in 2017 totaled \$231,563,406, an increase of \$32,976,725 or 16.6% compared to expenses of \$198,586,681 in 2016. Government activity expenses increased by \$25,803,444 or 19.2% and business-type activity expenses increased by \$7,173,281 or 11.2% compared to fiscal 2016. The increase in the governmental activity expenses are due mainly to the increased costs in the public safety area including negotiated wage increases for sworn police officers. The increase in the business-type activities is due mainly to increased costs in the Wastewater area due to increased costs of operations and ongoing maintenance needs.
- 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, 2017. 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, 2017. 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 local income taxes, fees for services and other revenue sources.

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

# Management's Discussion and Analysis (Continued)

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### 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 seventy-one (71) non major governmental funds.

### 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, Innovation & Technology and 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 Officers' 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.

### Statement of Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other	\$ 249,677,530	\$ 214,523,060	\$ 68,091,995	\$ 68,688,703	\$ 317,769,525	\$ 283,211,763
Capital assets (net)	267,778,947	273,380,335	243,793,487	249,215,298	511,572,434	522,595,633
Total Assets	517,456,477	487,903,395	311,885,482	317,904,001	829,341,959	805,807,396
<b>Deferred Outflows</b>	26,446,186	28,577,165	2,012,436	2,275,054	28,458,622	30,852,219
<b>Liabilities</b>						
Current	12,896,073	8,052,118	17,960,166	17,885,075	30,856,239	25,937,193
Long term	353,726,911	329,439,412	91,403,011	99,440,549	445,129,922	428,879,961
Total Liabilities	366,622,984	337,491,530	109,363,177	117,325,624	475,986,161	454,817,154
<b>Deferred Inflows</b>	15,053,824	16,306,392	144,799	242,940	15,198,623	16,549,332
<b>Net Position</b>						
Net investment in capital assets	155,912,682	161,341,318	145,585,038	145,288,974	301,497,720	306,630,292
Restricted	9,245,531	8,669,117	29,623,015	31,963,852	38,868,546	40,632,969
Unrestricted	(2,932,358)	(7,327,797)	29,181,889	25,357,665	26,249,531	18,029,868
<b>Total Net Position</b>	<b>\$ 162,225,855</b>	<b>\$ 162,682,638</b>	<b>\$ 204,389,942</b>	<b>\$ 202,610,491</b>	<b>\$ 366,615,797</b>	<b>\$ 365,293,129</b>

- As of December 31, 2017, total assets and deferred outflows exceeded liabilities and deferred inflows by \$366,615,797, an increase of \$1,322,668, or 0.4%, from the net position level as of December 31, 2016.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

- Governmental activities net position of \$162,225,855 decreased by \$456,783, or 0.3%, from December 31, 2016.
- Business-type net position of \$204,389,942 increased by \$1,779,451, or 0.9%, from December 31, 2016. The increase in business-type net position was due primarily to a new system development charge which will be used to support long-term capital projects of the Wastewater and a 7% (commercial) and an 8% (residential) rate increase in the Solid Waste fees used to support operations and capital expenditures.
- Government-wide assets and deferred outflows increased by \$21,140,966, or 2.5%, as compared to amounts as of December 31, 2016 primarily due to the issuance of a Parks Bond at year end for which the cash was deposited; however, no expenditures were made before year end as well as increased tax revenue received during 2017.
- Government-wide liabilities and deferred inflows increased by \$19,818,298, or 4.2%, as compared to amounts as of December 31, 2016. The increase was due mainly to the issuance of a Parks Bond and a Redevelopment Bond during 2017 relating to improvements across the city.

### Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2017	2016	2017	2016	2017	2016
<b>Revenue</b>						
Program revenue:						
Charge for services	\$ 8,541,200	\$ 8,171,317	\$ 74,114,912	\$ 75,470,222	\$ 82,656,112	\$ 83,641,539
Operating grants	11,828,681	2,644,272	-	-	11,828,681	2,644,272
Capital grants	1,000,000	-	1,170,970	649,609	2,170,970	649,609
General revenue:						
Taxes						
Property tax	78,266,107	76,331,581	-	-	78,266,107	76,331,581
Other tax	28,527,005	31,463,184	1,275,000	-	29,802,005	31,463,184
Unrestricted grants	17,160,034	25,846,397	-	-	17,160,034	25,846,397
Investment earnings	1,687,888	1,458,787	578,773	570,982	2,266,661	2,029,769
Other revenue	8,731,916	6,745,542	3,588	(1,143,391)	8,735,504	5,602,151
<b>Total Revenue</b>	<b>155,742,831</b>	<b>152,661,080</b>	<b>77,143,243</b>	<b>75,547,422</b>	<b>232,886,074</b>	<b>228,208,502</b>
<b>Expenses</b>						
General government	16,750,853	15,618,817	-	-	16,750,853	15,618,817
Public safety	71,656,865	55,029,909	-	-	71,656,865	55,029,909
Highways and streets	21,716,658	13,550,535	-	-	21,716,658	13,550,535
Culture and recreation	19,332,902	17,156,094	-	-	19,332,902	17,156,094
Economic development	26,326,989	28,436,368	-	-	26,326,989	28,436,368
Interest on long-term debt	4,538,530	4,727,630	-	-	4,538,530	4,727,630
Water utility	-	-	14,902,682	14,900,039	14,902,682	14,900,039
Wastewater utility	-	-	32,548,087	26,420,526	32,548,087	26,420,526
Civic center	-	-	5,121,336	5,364,472	5,121,336	5,364,472
Building department	-	-	3,704,963	3,240,172	3,704,963	3,240,172
Parking	-	-	1,177,363	909,857	1,177,363	909,857
Solid waste	-	-	5,169,128	5,794,913	5,169,128	5,794,913
Emergency medical services	-	-	8,617,050	7,437,349	8,617,050	7,437,349
<b>Total Expenses</b>	<b>160,322,797</b>	<b>134,519,353</b>	<b>71,240,609</b>	<b>64,067,328</b>	<b>231,563,406</b>	<b>198,586,681</b>
<b>Change in net position</b>						
Before transfers	(4,579,966)	18,141,727	5,902,634	11,480,094	1,322,668	29,621,821
Transfers	4,123,183	3,681,016	(4,123,183)	(3,681,016)	-	-
<b>Change in net position</b>	<b>(456,783)</b>	<b>21,822,743</b>	<b>1,779,451</b>	<b>7,799,078</b>	<b>1,322,668</b>	<b>29,621,821</b>
Beginning net position	162,682,638	140,859,895	202,610,491	194,811,413	365,293,129	335,671,308
<b>Ending net position</b>	<b>\$ 162,225,855</b>	<b>\$ 162,682,638</b>	<b>\$ 204,389,942</b>	<b>\$ 202,610,491</b>	<b>\$ 366,615,797</b>	<b>\$ 365,293,129</b>

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

### Governmental Activities

Net position for governmental activities decreased by \$456,783 during fiscal 2017, a decrease of 0.3% from the balance of Net Position at December 31, 2016. Revenue of \$155,742,831 increased by \$3,081,751, or 2.0%. Expenses were \$160,322,797 during 2017, an increase of \$25,803,444, or 19.2% as compared to fiscal 2016.

The governmental activities revenue increases were due primarily to higher property tax and income tax revenue during 2017 resulting from an increase in assessed property values and an improving local economy. Governmental activities expenses increased significantly in 2017, however, were closer in line with 2015 expenditures due to a decrease in net pension liability and deferrals in public safety in 2016.

### Business-type Activities

Net position from business-type activities increased by \$1,779,451 during fiscal 2017, an increase of 0.9% from the balance of Net Position at December 31, 2016. During 2017, business-type activities revenue of \$77,143,243 increased by \$1,595,821, or 2.1 %, over fiscal 2016. During 2017, business-type activities expenses of \$71,240,609 increased by \$7,173,281, or 11.2%, when compared to fiscal 2016.

Revenue increased in part, due to a 5% surcharge on outside-city customers. This increase was set to take effect in January 2017, but due to unforeseen issues, was not able to take effect until October 2017. Therefore, revenue should increase slightly in 2018 due to this surcharge. Revenue also increased in solid waste due to fee increases for service during 2017.

### 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.

### Condensed Balance Sheet, Statement of Revenue, Expenditures, and Changes in Fund Balance As of December 31, 2017

	General	Park & Rec	PS LOIT	COIT	EDIT	Rainy Day	River West TIF	Other	Total
Total assets	\$ 37,248,988	\$ 6,477,773	\$ 987,592	\$ 10,004,369	\$ 13,018,166	\$ 10,281,405	\$ 43,556,040	\$ 112,681,324	\$ 234,255,657
Total liabilities	1,782,728	325,695	107,337	705,543	131,001	-	6,443,153	7,529,012	17,024,469
<b>Fund Balances:</b>									
Nonspendable	447,003	30,833	-	1,400,455	270,001	-	9,297,922	10,928,010	22,374,224
Restricted	-	6,121,245	880,255	-	-	-	27,814,965	90,486,202	125,302,667
Committed	-	-	-	-	-	-	-	2,392,685	2,392,685
Assigned	1,242,770	-	-	7,898,371	12,617,164	10,281,405	-	1,972,261	34,011,971
Unassigned	33,776,487	-	-	-	-	-	-	(626,846)	33,149,641
<b>Total fund balance</b>	<b>\$ 35,466,260</b>	<b>\$ 6,152,078</b>	<b>\$ 880,255</b>	<b>\$ 9,298,826</b>	<b>\$ 12,887,165</b>	<b>\$ 10,281,405</b>	<b>\$ 37,112,887</b>	<b>\$ 105,152,312</b>	<b>\$ 217,231,188</b>
Liabilities and fund balance	\$ 37,248,988	\$ 6,477,773	\$ 987,592	\$ 10,004,369	\$ 13,018,166	\$ 10,281,405	\$ 43,556,040	\$ 112,681,324	\$ 234,255,657
Revenues	64,232,529	12,841,366	7,476,153	10,939,423	11,218,601	95,991	19,686,308	29,096,385	155,586,756
Expenditures	68,997,882	13,093,671	7,422,355	8,088,236	3,185,212	-	19,573,713	54,181,168	174,542,237
Net surplus (deficit)	(4,765,353)	(252,305)	53,798	2,851,187	8,033,389	95,991	112,595	(25,084,783)	(18,955,481)
Other sources (uses)	6,278,991	2,058,613	-	(3,566,328)	(6,346,113)	-	(3,914,707)	49,934,993	44,445,449
<b>Net change in fund balances</b>	<b>1,513,638</b>	<b>1,806,308</b>	<b>53,798</b>	<b>(715,141)</b>	<b>1,687,276</b>	<b>95,991</b>	<b>(3,802,112)</b>	<b>24,850,210</b>	<b>25,489,968</b>
Beginning 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
<b>Ending fund balances</b>	<b>\$ 35,466,260</b>	<b>\$ 6,152,078</b>	<b>\$ 880,255</b>	<b>\$ 9,298,826</b>	<b>\$ 12,887,165</b>	<b>\$ 10,281,405</b>	<b>\$ 37,112,887</b>	<b>\$ 105,152,312</b>	<b>\$ 217,231,188</b>

As of December 31, 2017, the City governmental funds reported a combined ending fund balance of \$217,231,188.

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Management's Discussion and Analysis (Continued)

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The nonspendable fund balance of \$22,374,224 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 \$125,302,667 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 \$2,392,685 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 \$34,011,971 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 \$33,149,641 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, 2017, the General Fund balance of \$35,466,260 represents an increase of \$1,513,638, or 4.5% from the balance as of December 31, 2016. The increase was due primarily to higher property tax revenue during 2017 than expected and lower spending for public safety and administration than anticipated.

As of December 31, 2017, the General Fund had an unassigned fund balance of \$33,776,487 which is equal to 48.9% of 2017 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 2017 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 2017.

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, 2017.

The **Parks and Recreation Fund** balance increased \$1,806,308 during fiscal 2017, due primarily to the receipt of higher property tax revenue and lower expenditures. As of December 31, 2017, the fund balance in the Parks and Recreation Fund was \$6,152,078, or 47.0% of 2017 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, 2017.

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 2017 of \$7,476,153 increased by \$677,960 or 10.0% compared to 2016. The increase in fund balance in the amount of \$53,798 during 2017 was due to increased revenue for this fund for police and fire personnel. The ending fund balance was \$880,255, or 11.9% of annual expenditures, and meets the City's cash reserve policy goal of 8%.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

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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 major technology costs, and certain debt service payments.

The COIT fund balance decreased by \$715,141 during 2017, due to one-time capital projects and prior year encumbrances. 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, city-wide expenditures like telephone and electricity for street lights, and certain debt service payments.

As of December 31, 2017, the COIT Fund balance was \$9,298,826, or 79.8% of 2017 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 \$1,687,276 during 2017 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, 2017, the EDIT fund balance was \$12,887,165, or 125.5% of 2017 expenditures and transfers out. The City policy target is 50%.

The **Rainy Day 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 ending fund balance at December 31, 2017 was \$10,281,405, or 5.9% of government-wide expenses during 2017, and meets the City's cash reserve policy goal of 3%.

The fund balance in the **River West TIF Fund** decreased by \$3,802,112 during 2017. 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, 2017, the River West TIF Fund balance of \$37,112,887 including \$9,297,922 in nonspendable fund balances (primarily property held for resale) and \$27,814,965 in restricted fund balances. This fund continues to be a major success for the City of South Bend and has generated in excess of \$131 million in private investment during 2017.

During 2017, the fund balances in **Nonmajor Governmental funds** increased by \$24,850,210 due primarily to the issuance of bonds at year-end and various expenditures being less than anticipated during the year.

The total balance in Nonmajor Governmental Funds was \$105,152,312 at December 31, 2017. 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.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

### Governmental Fund Revenue

The following schedule presents a summary of governmental fund revenue for the year ended December 31, 2017 with comparison to the prior year:

	<b>2017</b>	<b>% of</b>	<b>2016</b>	<b>% of</b>
	<b>Actual</b>	<b>Total</b>	<b>Actual</b>	<b>Total</b>
<u>Tax Based</u>				
General property	\$ 77,872,107	50.1%	\$ 75,724,582	49.6%
County option income	17,926,883	11.5%	21,868,582	14.3%
County economic development	10,600,122	6.8%	9,594,602	6.3%
Professional sports development	347,255	0.2%	673,787	0.5%
<b>Total Tax</b>	<b>106,746,367</b>	<b>68.6%</b>	<b>107,861,553</b>	<b>70.7%</b>
<u>Non-Tax Based</u>				
Licenses and permits	231,260	0.1%	224,677	0.1%
Intergovernmental	29,634,896	19.1%	27,959,813	18.3%
Charge for services	7,020,575	4.5%	7,062,108	4.6%
Fines and forfeitures	562,466	0.4%	756,781	0.5%
Interest income	1,687,888	1.1%	1,624,527	1.1%
Other	9,703,304	6.2%	7,179,959	4.7%
<b>Total Non-Tax Based</b>	<b>48,840,389</b>	<b>31.4%</b>	<b>44,807,865</b>	<b>29.3%</b>
<b>Total Revenue</b>	<b>\$ 155,586,756</b>	<b>100.0%</b>	<b>\$ 152,669,418</b>	<b>100.0%</b>

Tax revenue continues to represent the most significant source of revenue required to support services provided by the City. Property tax revenue is the primary source of funding for governmental expenditures. Property tax revenue is based on a relationship between two variables. The first variable is the 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, 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.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

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) "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 \$106,746,367 during 2017 and decreased by \$1,115,186, or 1.0%, from 2016. This decrease was due primarily to a one time distribution of local income taxes from the State of Indiana in 2016 of \$1,405,850 which was deposited into the Rainy Day fund. Overall, the tax revenue increased slightly with respect to the normal tax distributions due to the continuing improvement in the overall economy. Total non-tax based revenue was \$48,840,389 and increased \$4,032,524, or 9.0%, from 2016 and is due in part to the charging of increased interfund allocations to all departments for services provided.

### **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, 2017 with comparison to fiscal year 2016.

	<b>2017 Actual</b>	<b>% of Total</b>	<b>2016 Actual</b>	<b>% of Total</b>
General government	\$ 14,221,015	8.1%	\$ 16,311,633	9.6%
Public safety	72,010,182	41.3%	64,350,281	37.7%
Highways and streets	13,600,140	7.8%	11,294,768	6.6%
Community and economic development	20,622,330	11.8%	20,894,153	12.2%
Culture and recreation	15,904,306	9.1%	13,070,606	7.6%
Debt service	21,148,721	12.1%	17,998,348	10.5%
Capital outlay	17,035,543	9.8%	27,056,295	15.8%
<b>Total Expenditures</b>	<b>\$ 174,542,237</b>	<b>100.0%</b>	<b>\$ 170,976,084</b>	<b>100.0%</b>

Government fund expenditures in fiscal 2017 of \$174,542,237 increased by \$3,566,153, or 2.1%, in comparison to government fund expenditures in fiscal 2016.

Capital outlay expenditures decreased by \$10,020,752, or 37.0%, during 2017 due primarily to overall decreased spending in tax increment financing funds, the County Option Income Tax Fund, the Major Moves Fund, and other capital projects funds during 2016, which did not occur in 2017. The largest project in 2016 being the one to two-way street conversion which was completed in early 2017.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

Public Safety expenditures continue to be the primary use of government fund resources with 41.3% of expenditures used for this purpose in fiscal 2017. Public safety spending is followed by capital outlay expenditures (9.7%), community and economic development (11.8%), debt service (12.1%), general government (8.1%), culture and recreation (9.1%), and highways and streets (7.8%). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, Legal, Controller, Engineering and other administrative functions. Overall governmental expenditures increased during 2017, in part due to increases in public safety wages and benefits occurring in conjunction with a four-year collective bargaining agreement with the fraternal order of police. General governmental expenditures decreased during 2017 due to the transfer of technology costs to an internal service fund. This change allowed the City as a whole to see both the entire costs for technology as well as by user departments through allocations.

### Proprietary funds

#### Condensed Statement of Net Position Revenue, Expenses, and Changes in Fund Net Position As of December 31, 2017

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Century Center</u>	<u>Other</u>	<u>Total Enterprise</u>	<u>Internal Service</u>
Total assets	\$ 69,081,501	\$ 192,379,864	\$ 20,380,115	\$ 30,085,385	\$ 311,926,865	\$ 21,356,966
Total deferred outflows	96,099	1,916,337	-	-	2,012,436	-
Total liabilities	19,820,524	79,771,119	290,452	9,522,465	109,404,560	3,768,791
Total deferred inflows	-	-	143,750	1,049	144,799	-
<b><u>Net position:</u></b>						
Net investment in capital assets	38,943,616	82,760,015	17,801,414	6,079,993	145,585,038	1,360,712
Restricted for:						
Debt service fund	28,017	855,193	-	-	883,210	-
Customer repair and deposit fund	1,513,788	1,860,524	-	-	3,374,312	-
Cash with fiscal agent	637,812	439,500	-	620,445	1,697,757	-
Bond reserve fund	1,389,894	4,138,349	-	-	5,528,243	-
Operating reserve fund	2,609,708	5,144,668	-	-	7,754,376	-
Capital outlay fund	2,143,258	7,336,636	865,353	39,870	10,385,117	-
Unrestricted	2,090,983	11,990,197	1,279,146	13,821,563	29,181,889	16,227,463
<b>Total net position</b>	<b>\$ 49,357,076</b>	<b>\$ 114,525,082</b>	<b>\$ 19,945,913</b>	<b>\$ 20,561,871</b>	<b>\$ 204,389,942</b>	<b>\$ 17,588,175</b>
Operating revenues	\$ 15,283,325	\$ 38,794,212	\$ 3,055,793	\$ 16,974,704	\$ 74,108,034	\$ 33,612,709
Operating expenses	13,426,567	30,110,128	5,115,447	18,256,920	66,909,062	28,988,283
Operating income (loss)	1,856,758	8,684,084	(2,059,654)	(1,282,216)	7,198,972	4,624,426
Nonoperating rev (exp)	(1,358,707)	(2,084,719)	1,269,977	(293,859)	(2,467,308)	(252,411)
Income (loss) before contributions and transfers	498,051	6,599,365	(789,677)	(1,576,075)	4,731,664	4,372,015
Capital contributions	556,955	614,015	-	-	1,170,970	-
Transfers in	-	-	-	2,167,316	2,167,316	-
Transfers out	(1,785,924)	(4,422,408)	(82,167)	-	(6,290,499)	-
<b>Change in net position</b>	<b>(730,918)</b>	<b>2,790,972</b>	<b>(871,844)</b>	<b>591,241</b>	<b>1,779,451</b>	<b>4,372,015</b>
Total net position – beginning	50,087,994	111,734,110	20,817,757	19,970,630	202,610,491	13,216,160
<b>Total net position – ending</b>	<b>\$ 49,357,076</b>	<b>\$ 114,525,082</b>	<b>\$ 19,945,913</b>	<b>\$ 20,561,871</b>	<b>\$ 204,389,942</b>	<b>\$ 17,588,175</b>

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

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## Management's Discussion and Analysis (Continued)

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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.

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, Innovation & Technology and 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, 2017, City enterprise funds reported a net position of \$204,389,942, an increase of \$1,779,451, or 0.9%, from the net position at December 31, 2016.

At December 31, 2017, net position includes net investment in capital assets of \$145,585,038, restricted net position of \$29,623,015 and unrestricted net position of \$29,181,889.

During 2017, the **Water utility** experienced a decrease in net position of \$730,918 and the **Wastewater utility** experienced an increase in net position of \$2,790,972. The Water utility experienced decrease operating revenues of \$191,953 while the Wastewater utility experienced an increase in operating revenue of \$267,350. The Wastewater utility had the benefit of a 5% surcharge to outside city customers during 2017 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 2017, **Century Center** experienced a decrease in net position of \$871,844, primarily as the result of expenses outpacing revenue in 2017.

**Nonmajor Enterprise Funds** experienced an increase in net position of \$591,241 during 2017. The Parking Garage Fund reported an increase in net position of \$98,163 primarily as the result of increased parking charges which went into effect in 2017. The Consolidated Building Fund reported an increase in net position of \$394,460 during 2017 as the result of underspending budgeted monies as well as higher than anticipated permit fee revenues due to the continued increase in construction in the South Bend area. The Solid Waste Fund reported an increase in net position of \$256,662 and continues to accumulate capital lease debt to finance new trash trucks. Emergency Medical Service reported a decrease in net position of \$158,044 as a result of costs outpacing revenues in 2017.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

**Internal Services Funds** reported net position of \$17,588,175 at December 31, 2017, an increase of \$4,372,015, or 33.1%, compared to net position at December 31, 2016. The Liability Insurance Fund increased its net position by \$103,670 in 2017 as the result of public safety and parks fund paying into the fund which was not done in 2016 due to budget constraints. The Central Services Fund decreased its net position by \$325,264. The Self-Funded Employee Benefits Fund had an increase in its net position of \$3,321,692 due to a 8% 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 Innovation & Technology and 311 Call Center fund is a fully allocated fund which supports most city departments. The Innovation & Technology and 311 Call Center Fund had a net position of \$1,323,038 at December 31, 2017. The Police Take Home Vehicle Fund decreased its net position by \$934 in 2017 as a result of paying for small claims without offsetting revenues due to the fund having a strong net position. The Unemployment Compensation Insurance Fund decreased its net position by \$50,187 due to paying for claims without offsetting revenues due to the fund having a strong net position.

### 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 Officers' Pension and 1937 Firefighters' Pension), one private-purpose trust fund (Cemetery) and three agency funds (Payroll, Police Distributions Payable and Morris/Palais Royale Box Office).

	<u>Pension Trust</u>	<u>Private Purpose Trust</u>	<u>Agency</u>
Total assets	\$ 1,352,044	\$ 453,269	\$ 3,722,118
Total liabilities	470	-	3,722,118
<b>Total net position</b>	<b>\$ 1,351,574</b>	<b>\$ 453,269</b>	<b>\$ -</b>
Total additions	11,152,596	25,996	-
Total deductions	10,762,074	599	-
<b>Changes in net position</b>	<b>\$ 390,522</b>	<b>\$ 25,397</b>	<b>\$ -</b>

Effective in fiscal 2009, with the passage of State legislation, the State of Indiana began making contributions to the **1925 Police Officers' 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 increase 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). The cost of healthcare benefits to pension members are not covered by State contributions. In 2016, the regular Fire Department budget paid retiree health care costs while this change occurred in 2017 for the Police Department. The 1925 Police Officers' and 1937 Firefighters' pension funds will no longer pay retiree health insurance costs, these costs will be paid from the regular police and fire operating budgets.

### 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 2017 budget at its meeting held in October 2016.

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

The General Fund budget applicable for fiscal 2017 is reported as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenue	\$ 58,587,268	\$ 59,548,273	\$ 59,227,693	\$ (320,580)
Expenditures	<u>58,587,268</u>	<u>60,150,305</u>	<u>58,627,429</u>	<u>1,522,876</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ (602,032)</u>	<u>\$ 600,264</u>	<u>\$ 1,202,296</u>

General Fund revenue/transfers in was originally budgeted at \$58,587,268 for fiscal 2017. During the year, the General Fund revenue/transfers in budget was increased by \$961,005 to \$59,548,273. 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 2017, the General Fund collected \$59,227,693 in revenue/transfers in on a budgetary basis, which was \$640,425 higher than the original budget. This difference is 1.1% more than the Original budget. This increase over budget is due mainly to higher than budgeted property tax receipts in 2017.

General Fund expenditures/transfers out were originally budgeted at \$58,587,268 for fiscal 2017. During the year, the General Fund expenditure/transfers out budgets were increased by \$1,563,037 to \$60,150,305. Additional appropriations were passed for Fire Department equipment and other purposes. Carry forward of unspent encumbrances from 2016 also increased the 2017 amended budget.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels. Budget amendments for cost-neutral redistribution between expense categories (i.e., personnel, supplies, services, capital) were submitted to Common Council four times during 2017, 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, 2017, amounted to \$58,627,429. The expenditures/transfers out and commitments as of year-end December 31, 2017 are less than the 2017 amended General Fund budget by \$1,522,876 or 2.5%. 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.

Management's Discussion and Analysis (Continued)

**Capital Assets and Debt Administration**

**Statement of Capital Assets**

	Governmental Activities		Business type Activities		Government-wide Activities	
	2017	2016	2017	2016	2017	2016
<b>Assets not depreciated</b>						
Land	\$ 14,707,088	\$ 14,707,088	\$ 2,614,014	\$ 2,614,014	\$ 17,321,102	\$ 17,321,102
Construction in progress	29,957,697	23,595,717	21,254,911	19,259,541	51,212,608	42,855,258
<b>Total</b>	<b>44,664,785</b>	<b>38,302,805</b>	<b>23,868,925</b>	<b>21,873,555</b>	<b>68,533,710</b>	<b>60,176,360</b>
<b>Assets depreciated</b>						
Buildings	125,886,853	125,966,988	83,233,461	84,190,901	209,120,314	210,157,889
Non-building improvements	21,519,259	21,377,908	27,939,323	28,186,217	49,458,582	49,564,125
Machinery and equipment	47,094,150	47,301,986	42,205,000	41,959,457	89,299,150	89,261,443
Roads and Infrastructure	441,344,575	437,067,498	210,301,608	210,940,599	651,646,183	648,008,097
<b>Total Cost</b>	<b>635,844,837</b>	<b>631,714,380</b>	<b>363,679,392</b>	<b>365,277,174</b>	<b>999,524,229</b>	<b>996,991,554</b>
<b>Accumulated depreciation</b>						
Buildings	52,675,177	49,668,561	36,878,587	35,418,271	89,553,764	85,086,832
Non-building improvements	10,713,373	9,936,113	8,436,276	7,441,963	19,149,649	17,378,076
Machinery and equipment	33,644,985	33,115,197	23,955,240	22,720,699	57,600,225	55,835,896
Roads	315,697,141	303,916,980	74,484,727	72,354,498	390,181,868	376,271,478
<b>Total</b>	<b>412,730,676</b>	<b>396,636,851</b>	<b>143,754,830</b>	<b>137,935,431</b>	<b>556,485,506</b>	<b>534,572,282</b>
<b>Net Depreciated Assets</b>	<b>223,114,161</b>	<b>235,077,529</b>	<b>219,924,562</b>	<b>227,341,743</b>	<b>443,038,723</b>	<b>462,419,272</b>
<b>Net Capital Assets</b>	<b>\$ 267,778,946</b>	<b>\$ 273,380,334</b>	<b>\$ 243,793,487</b>	<b>\$ 249,215,298</b>	<b>\$ 511,572,433</b>	<b>\$ 522,595,632</b>

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

Under the category of roads and infrastructure, the current cost amount of \$651,646,183 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 2017**

Included in capital asset additions for 2017 were the following projects:

- Infrastructure - \$4.3 million – Ignition Park Infrastructure Improvements
- Wastewater - \$1.4 million – Grit & Screening Improvement Projects
- Wastewater - \$1.0 million – Calvert Lift Station Replacement
- Fire Department - \$1.0 million – Hazardous Material Response Rig, Ambulances and various other equipment
- Parks Department - \$1.8 million – Lawnmowers, Playground Equipment and various other equipment

## City of South Bend, Indiana

# Management's Discussion and Analysis (Continued)

### Capital Assets Analysis

As of December 31, 2017, government-wide capital assets were valued at \$511,572,433, net of accumulated depreciation, a decrease of \$11,023,199, or 2.1%, since December 31, 2016. Construction in Progress increased by \$8,357,350, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$10,890,025, net of depreciation, since December 31, 2016. 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, 2017, the cost of Roads & Infrastructure (\$651,646,183) was the major asset class followed by Buildings (\$209,120,314) and Machinery & Equipment (\$89,299,150).

Total depreciation expense was \$31,452,259 for 2017, as compared to \$31,308,797 for 2016. Depreciation expense was \$19,692,594 for governmental activities and \$11,759,665 for business-type activities for 2017.

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

### Debt Administration

Outstanding debt principal as of December 31, 2017 was \$252,756,994, an increase of \$15,847,616, or 6.7%, from 2016. City outstanding debt includes revenue bonds, mortgage bonds, notes and loans payable and capital leases.

Type	Beginning	Additions	Retirements	Ending
Revenue bonds	\$ 194,517,179	\$ 39,075,000	\$ (20,403,356)	\$ 213,188,823
Mortgage bonds	17,648,415	-	(2,167,960)	15,480,455
Notes and loans	7,229,586	-	(393,650)	6,835,936
Capital leases	17,514,198	4,599,879	(4,862,297)	17,251,780
<b>Total Debt</b>	<b>\$ 236,909,378</b>	<b>\$ 43,674,879</b>	<b>\$ (27,827,263)</b>	<b>\$ 252,756,994</b>

During 2017, the City entered into capital lease agreements in the amount of \$4.68 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 2017 was on average less than 2% for these leases.

Under the Indiana Constitution and State statute, the City's general obligation bonded debt and certain other debt is subject to a legal limitation based upon 2% of total assessed value of real and personal property. The City issued a general obligation bond in December 2017 related to the MySB Parks and Trails project that will benefit almost all districts within the City. This debt issuance of \$14,075,000 is 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.

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

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**Significant Subsequent Events**

On March 29, 2018, the City sold general obligation bonds in an amount of \$5,045,000. These bonds are financing a new Fire Station #9 and an additional building at the Fire Training Center.

On April 25, 2018, the City sold Redevelopment District Bonds in an amount of \$11,995,000. These bonds are financing various Park improvements related to the City's overall MySB Parks and Trails Master Plan.

On May 25, 2018, the City entered into a five year capital lease in an amount of \$6,115,434. This lease will be used to finance various equipment purchases in the Fire, Solid Waste, Police, Streets, Parks and other smaller departments.

On February 28, 2012, the City, the United States of America, and the State of Indiana, agreed to a consent decree to resolve claims against the City for alleged violations of the Clean Water Act. The decree includes several provisions, including a long term control plan that requires the City to complete a construction program by December 31, 2031 at a cost of approximately \$509.5 million in 2007 dollars to comprehensively upgrade and expand the City's sewage collection, storage, conveyance, and treatment system. Under this agreement South Bend was required to undertake a review of the Plan after 5 years and this review was completed in 2017. The review resulted in a revised plan that calls for a reduced investment of \$200 million in 2017 dollars. The plan will meet the same environmental goals and will still run to 2031. South Bend is currently working with State and Federal environmental regulators to have this new more cost efficient plan formally endorsed.

**Economic Factors and 2018 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 2017, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$33.9 million in taxable property tax levy due to the circuit breaker caps (Indiana Legislative Services Agency, Circuit Breaker Report, December 2017).

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 2017. 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 of South Bend, Indiana

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# Management's Discussion and Analysis (Continued)

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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 3.3% for 2018. Unemployment rates in the South Bend-Mishawaka Metropolitan Area continue to improve and were 3.9% in November 2017 as compared to a high of 13.0% in January 2010 (Bureau of Labor Statistics).

### **2018 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. 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 2019 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 2019 budget include the continuing impact of circuit breaker property tax reform on City revenue, high health and pension costs and other stagnant or declining revenue sources such as gasoline, wheel and auto excise taxes.

### **Requests for Information**

This Management's Discussion and Analysis, as contained within the City of South Bend Comprehensive Annual Financial Report, is intended to provide readers with a general overview of the financial condition of the City of South Bend as of December 31, 2017. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

Jennifer C. Hockenhull, Controller

City of South Bend  
Department of Administration and Finance  
227 W. Jefferson Blvd., 12<sup>th</sup> Floor  
South Bend, IN 46601

Telephone (574) 235-9822  
Email [jhockenh@southbendin.gov](mailto:jhockenh@southbendin.gov)

City of South Bend  
June 30, 2018

December 31, 2017

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 101,512,635	\$ 10,362,542	\$ 111,875,177
Investments	124,837,380	19,087,370	143,924,750
Receivables:			
Taxes	766,803	-	766,803
Accounts	676,105	8,257,072	8,933,177
Interest	353,403	97,548	450,951
Allowance for doubtful accounts	-	(130,000)	(130,000)
Intergovernmental	1,139,212	-	1,139,212
Loans	5,575,602	-	5,575,602
Internal balances	8,168	(8,168)	-
Inventory	922,999	688,178	1,611,177
Prepaid expenses	629,133	114,438	743,571
Restricted assets	-	29,623,015	29,623,015
Property held for resale	12,716,365	-	12,716,365
Net pension asset	539,725	-	539,725
Capital assets:			
Assets not subject to depreciation	44,664,785	23,868,925	68,533,710
Assets subject to depreciation - Net	223,114,162	219,924,562	443,038,724
Total assets	517,456,477	311,885,482	829,341,959
<b>Deferred Outflows of Resources</b>			
Unamortized loss on refunding	2,100,425	2,012,436	4,112,861
Deferred outflows related to pensions	24,345,761	-	24,345,761
Total deferred outflows of resources	26,446,186	2,012,436	28,458,622
<b>Liabilities</b>			
Accounts payable	7,257,280	4,095,929	11,353,209
Due to other governmental units	-	75,293	75,293
Performance deposits payable	203,703	12,000	215,703
Accrued liabilities and other:			
Accrued payroll payable	1,861,847	396,335	2,258,182
Accrued interest payable	64,590	309,598	374,188
Taxes payable	936	-	936
Customer deposits payable	-	1,632,854	1,632,854
Unearned revenue	-	6,841	6,841
Other current payables	3,507,717	89,348	3,597,065
Noncurrent liabilities:			
Due within one year:			
Accrued interest payable from restricted assets	1,880,697	-	1,880,697
Compensated absences	5,503,833	414,692	5,918,525
Claims payable	2,109,761	-	2,109,761
Notes and loans payable	328,293	188,654	516,947
Mortgage bonds payable	1,801,815	298,185	2,100,000
Capital leases	2,821,968	2,049,437	4,871,405
Revenue bonds payable	7,455,635	8,390,000	15,845,635
Due in more than one year:			
Notes and loans payable	4,108,822	2,210,167	6,318,989
Mortgage bonds payable	8,423,157	4,957,298	13,380,455
Capital leases	6,973,644	5,406,732	12,380,376
Net pension liability	178,885,176	-	178,885,176
Net OPEB obligation	14,920,736	-	14,920,736
Revenue bonds payable	118,513,374	78,829,814	197,343,188
Total liabilities	366,622,984	109,363,177	475,986,161

Statement of Net Position (Continued)

December 31, 2017

	Governmental Activities	Business-type Activities	Total
<b>Deferred Inflows of Resources</b>			
Unamortized service agreement	\$ -	\$ 143,750	\$ 143,750
Unamortized gain on sale/leaseback	-	1,049	1,049
Deferred inflows related to pensions	15,053,824	-	15,053,824
Total deferred inflows of resources	<u>15,053,824</u>	<u>144,799</u>	<u>15,198,623</u>
<b>Net Position</b>			
Net investment in capital assets	155,912,682	145,585,038	301,497,720
Restricted:			
Debt service fund	5,957,929	883,210	6,841,139
Customer repair and deposit fund	-	3,374,312	3,374,312
Cash with fiscal agent	-	1,697,757	1,697,757
Bond reserve fund	3,287,602	5,528,243	8,815,845
Operating reserve fund	-	7,754,376	7,754,376
Capital outlay fund	-	10,385,117	10,385,117
Unrestricted	<u>(2,932,358)</u>	<u>29,181,889</u>	<u>26,249,531</u>
Total net position	<u><u>\$ 162,225,855</u></u>	<u><u>\$ 204,389,942</u></u>	<u><u>\$ 366,615,797</u></u>

# City of South Bend, Indiana

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 16,750,853	\$ 1,118,328	\$ 264,330	\$ 1,000,000
Public safety	71,656,865	648,136	33,705	-
Highways and streets	21,716,658	976,095	7,979,895	-
Community and economic development	26,326,989	1,489,942	3,061,732	-
Culture and recreation	19,332,902	4,308,699	489,019	-
Interest on long-term debt	4,538,530	-	-	-
<b>Total governmental activities</b>	<b>160,322,797</b>	<b>8,541,200</b>	<b>11,828,681</b>	<b>1,000,000</b>
Business-type activities:				
Water Utility	14,902,682	15,290,203	-	556,955
Wastewater Utility	32,548,087	38,794,212	-	614,015
Century Center	5,121,336	3,055,793	-	-
Consolidated Building	3,704,963	1,902,493	-	-
Parking Garage	1,177,363	1,264,706	-	-
Solid Waste	5,169,128	5,420,711	-	-
Emergency Medical Services	8,617,050	8,386,794	-	-
<b>Total business-type activities</b>	<b>71,240,609</b>	<b>74,114,912</b>	<b>-</b>	<b>1,170,970</b>
<b>Total primary government</b>	<b>\$ 231,563,406</b>	<b>\$ 82,656,112</b>	<b>\$ 11,828,681</b>	<b>\$ 2,170,970</b>

General revenue:

Taxes:

Property taxes

Income taxes

Hotel/motel taxes

Unrestricted state-shared revenue:

State-shared revenue

Unrestricted investment income

Gain on sale of capital assets

Other miscellaneous income

Total general revenue

Transfers

**Change in Net Position**

**Net Position** - Beginning of year

**Net Position** - End of year

## Statement of Activities

Year Ended December 31, 2017

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (14,368,195)	\$ -	\$ (14,368,195)
(70,975,024)	-	(70,975,024)
(12,760,668)	-	(12,760,668)
(21,775,315)	-	(21,775,315)
(14,535,184)	-	(14,535,184)
(4,538,530)	-	(4,538,530)
(138,952,916)	-	(138,952,916)
-	944,476	944,476
-	6,860,140	6,860,140
-	(2,065,543)	(2,065,543)
-	(1,802,470)	(1,802,470)
-	87,343	87,343
-	251,583	251,583
-	(230,256)	(230,256)
-	4,045,273	4,045,273
(138,952,916)	4,045,273	(134,907,643)
78,266,107	-	78,266,107
28,527,005	-	28,527,005
-	1,275,000	1,275,000
17,160,034	-	17,160,034
1,687,888	578,773	2,266,661
176,742	-	176,742
8,555,174	3,588	8,558,762
134,372,950	1,857,361	136,230,311
4,123,183	(4,123,183)	-
(456,783)	1,779,451	1,322,668
162,682,638	202,610,491	365,293,129
<b>\$ 162,225,855</b>	<b>\$ 204,389,942</b>	<b>\$ 366,615,797</b>

# City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT
<b>Assets</b>			
Cash and cash equivalents	\$ 8,639,763	\$ 1,796,150	\$ 285,991
Investments	27,662,398	4,395,121	699,811
Receivables:			
Taxes	-	-	-
Accounts	274,952	47,176	-
Interest	96,897	10,707	1,790
Intergovernmental	108,889	195,060	-
Loans	-	-	-
Due from other funds	19,086	2,726	-
Advances to other funds	447,003	-	-
Inventory	-	30,833	-
Property held for resale	-	-	-
	<u>\$ 37,248,988</u>	<u>\$ 6,477,773</u>	<u>\$ 987,592</u>
Total assets			
<b>Liabilities</b>			
Accounts payable	\$ 279,438	\$ 195,716	\$ -
Due to other funds	14,796	8,281	-
Advances from other funds	-	-	-
Performance deposits payable	78,806	3,665	-
Accrued liabilities and other:			
Accrued payroll payable	1,409,119	117,656	107,337
Taxes payable	559	377	-
Other current payables	10	-	-
	<u>1,782,728</u>	<u>325,695</u>	<u>107,337</u>
Total liabilities			
<b>Fund Balances</b>			
Nonspendable	447,003	30,833	-
Restricted	-	6,121,245	880,255
Committed	-	-	-
Assigned	1,242,770	-	-
Unassigned	33,776,487	-	-
	<u>35,466,260</u>	<u>6,152,078</u>	<u>880,255</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 37,248,988</u>	<u>\$ 6,477,773</u>	<u>\$ 987,592</u>

Governmental Funds  
Balance Sheet

December 31, 2017

COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total Governmental Funds
\$ 2,491,335	\$ 3,687,154	\$ 2,977,065	\$ 11,062,685	\$ 64,084,835	\$ 95,024,978
6,096,216	9,037,026	7,284,779	22,348,937	35,394,816	112,919,104
-	-	-	766,803	-	766,803
166	-	-	692	252,982	575,968
16,197	23,985	19,561	58,153	94,063	321,353
-	-	-	-	835,263	1,139,212
-	-	-	715,000	4,860,602	5,575,602
-	-	-	848	1,288	23,948
1,225,456	-	-	-	3,489,032	5,161,491
-	-	-	-	-	30,833
174,999	270,001	-	8,602,922	3,668,443	12,716,365
<b>\$ 10,004,369</b>	<b>\$ 13,018,166</b>	<b>\$ 10,281,405</b>	<b>\$ 43,556,040</b>	<b>\$ 112,681,324</b>	<b>\$ 234,255,657</b>
\$ 705,543	\$ 130,191	\$ -	\$ 2,606,546	\$ 2,444,222	\$ 6,361,656
-	810	-	18,875	4,949	47,711
-	-	-	300,000	4,830,300	5,130,300
-	-	-	17,732	103,500	203,703
-	-	-	-	138,334	1,772,446
-	-	-	-	-	936
-	-	-	3,500,000	7,707	3,507,717
705,543	131,001	-	6,443,153	7,529,012	17,024,469
1,400,455	270,001	-	9,297,922	10,928,010	22,374,224
-	-	-	27,814,965	90,486,202	125,302,667
-	-	-	-	2,392,685	2,392,685
7,898,371	12,617,164	10,281,405	-	1,972,261	34,011,971
-	-	-	-	(626,846)	33,149,641
9,298,826	12,887,165	10,281,405	37,112,887	105,152,312	217,231,188
<b>\$ 10,004,369</b>	<b>\$ 13,018,166</b>	<b>\$ 10,281,405</b>	<b>\$ 43,556,040</b>	<b>\$ 112,681,324</b>	<b>\$ 234,255,657</b>

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2017

<b>Fund Balances Reported in Governmental Funds</b>	\$ 217,231,188
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	266,366,831
Prepaid expenses are not available to pay for current period expenditures, and therefore are deferred in the funds	117,747
Deferred outflows of resources related to pensions are not available to pay for current period expenditures, and therefore are not reported in the funds	24,345,761
Net pension assets are not available to pay for current period expenditures, and therefore are not reported in the funds	539,725
Deferred inflows on refunding are not due and payable in the current period and are not reported in the funds	2,100,425
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	(150,028,707)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,944,216)
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	(5,231,338)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(15,053,824)
Net OPEB obligations do not present a claim on current financial resources and are not reported as fund liabilities	(14,920,736)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(178,885,176)
Internal service funds are included as part of governmental activities	<u>17,588,175</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 162,225,855</u></u></b>

# City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day
<b>Revenue</b>						
Taxes:						
Property taxes	\$39,568,076	\$ 9,033,731	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	7,467,618	10,459,265	10,600,122	-
Professional sports development taxes	-	-	-	-	-	-
Intergovernmental	15,603,864	986,838	-	-	-	-
Charges for services	1,956,844	2,368,740	-	318,864	150,000	-
Fines and forfeitures	8,919	-	-	-	354,660	-
Licenses and permits	231,260	-	-	-	-	-
Interest and rentals:						
Investment income	209,763	23,205	8,535	84,057	113,819	95,991
Rental income	-	122,189	-	-	-	-
Other revenue	6,653,803	306,663	-	77,237	-	-
<b>Total revenue</b>	<b>64,232,529</b>	<b>12,841,366</b>	<b>7,476,153</b>	<b>10,939,423</b>	<b>11,218,601</b>	<b>95,991</b>
<b>Expenditures</b>						
Current services:						
General government	5,720,461	-	-	6,922,195	997,998	-
Public safety	60,268,286	-	7,422,355	-	2,020,453	-
Public works	1,162,369	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	1,673,015	12,808,466	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	165,724	265,258	-	1,112,770	107,653	-
Interest on long-term debt	8,027	19,947	-	53,271	59,108	-
<b>Total expenditures</b>	<b>68,997,882</b>	<b>13,093,671</b>	<b>7,422,355</b>	<b>8,088,236</b>	<b>3,185,212</b>	<b>-</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(4,765,353)</b>	<b>(252,305)</b>	<b>53,798</b>	<b>2,851,187</b>	<b>8,033,389</b>	<b>95,991</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	6,208,332	2,040,354	-	-	735,240	-
Transfers out	(47,726)	-	-	(3,566,328)	(7,084,054)	-
Issuance of debt	4,563	16,253	-	-	-	-
Cost of issuance	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-
Proceeds from sale of capital assets	113,822	2,006	-	-	2,701	-
<b>Total other financing sources (uses)</b>	<b>6,278,991</b>	<b>2,058,613</b>	<b>-</b>	<b>(3,566,328)</b>	<b>(6,346,113)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,513,638</b>	<b>1,806,308</b>	<b>53,798</b>	<b>(715,141)</b>	<b>1,687,276</b>	<b>95,991</b>
<b>Fund Balances - Beginning of year</b>	<b>33,952,622</b>	<b>4,345,770</b>	<b>826,457</b>	<b>10,013,967</b>	<b>11,199,889</b>	<b>10,185,414</b>
<b>Fund Balances - End of year</b>	<b>\$35,466,260</b>	<b>\$ 6,152,078</b>	<b>\$ 880,255</b>	<b>\$ 9,298,826</b>	<b>\$12,887,165</b>	<b>\$10,281,405</b>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2017

River West TIF	Nonmajor Funds	Total Governmental Funds
\$18,141,151	\$ 11,129,149	\$ 77,872,107
-	-	28,527,005
-	347,255	347,255
394,000	12,650,194	29,634,896
-	2,226,127	7,020,575
-	198,887	562,466
-	-	231,260
251,735	900,783	1,687,888
3,289	118,206	243,684
896,133	1,525,784	9,459,620
19,686,308	29,096,385	155,586,756
-	580,361	14,221,015
-	2,299,088	72,010,182
-	12,437,771	13,600,140
15,447,645	5,174,685	20,622,330
-	1,422,825	15,904,306
-	17,035,543	17,035,543
3,039,837	11,942,953	16,634,195
1,086,231	3,287,942	4,514,526
19,573,713	54,181,168	174,542,237
112,595	(25,084,783)	(18,955,481)
24,891	20,132,468	29,141,285
(3,939,598)	(10,380,396)	(25,018,102)
-	40,707,000	40,727,816
-	(588,770)	(588,770)
-	6,478	6,478
-	58,213	176,742
(3,914,707)	49,934,993	44,445,449
(3,802,112)	24,850,210	25,489,968
40,914,999	80,302,102	191,741,220
<b>\$37,112,887</b>	<b>\$ 105,152,312</b>	<b>\$ 217,231,188</b>

**Governmental Funds**

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in  
Fund Balances to the Statement of Activities**

**Year Ended December 31, 2017**

<b>Net Change in Fund Balance Reported in Governmental Funds</b>	<b>\$ 25,489,968</b>
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	15,097,894
Depreciation expense	(19,533,481)
Net book value of assets disposed of	(2,567)
Proceeds from sale of capital assets	(176,742)
Construction in progress costs expensed	(990,546)
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	(293,598)
Debt proceeds (from notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases) provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net position	(40,727,816)
Premium on debt proceeds provide financial resources to governmental funds, but not in the statement of activities (where it reduces long-term debt)	(6,478)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	16,634,196
Other adjustments related to debt premiums, discounts, deferred inflows, and deferred outflows	529,234
Changes in accrued interest payable and other	(240,390)
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	(654,554)
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	(1,635,492)
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	1,681,574
Internal service funds are included as part of governmental activities - Net change in position	4,372,015
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (456,783)</b>

Proprietary Funds  
Statement of Net Position

December 31, 2017

	Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,612,821	\$ 4,200,364	\$ 1,354,273	\$ 3,195,084	\$ 10,362,542	\$ 6,487,657
Investments	2,500,117	8,763,212	-	7,824,041	19,087,370	11,918,276
Receivables:						
Accounts	872,418	2,886,795	300,865	4,196,994	8,257,072	100,137
Interest	21,627	54,805	-	21,116	97,548	32,050
Allowance for doubtful accounts	(50,000)	(80,000)	-	-	(130,000)	-
Due from other funds	30,165	3,050	-	-	33,215	3,178
Inventory	495,324	155,938	36,916	-	688,178	892,166
Prepaid expenses	29,204	34,056	21,294	29,884	114,438	511,386
Total current assets	5,511,676	16,018,220	1,713,348	15,267,119	38,510,363	19,944,850
Noncurrent assets:						
Restricted assets	7,681,237	20,416,110	865,353	660,315	29,623,015	-
Capital assets:						
Assets not subject to depreciation	523,717	21,472,354	713,434	1,159,420	23,868,925	-
Assets subject to depreciation - Net	55,364,871	134,473,180	17,087,980	12,998,531	219,924,562	1,412,116
Total noncurrent assets	63,569,825	176,361,644	18,666,767	14,818,266	273,416,502	1,412,116
Total assets	69,081,501	192,379,864	20,380,115	30,085,385	311,926,865	21,356,966
<b>Deferred Outflows of Resources -</b>						
Unamortized loss on refunding	96,099	1,916,337	-	-	2,012,436	-
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	501,732	3,067,985	125,806	400,406	4,095,929	895,624
Due to other governmental units	-	-	-	75,293	75,293	-
Due to other funds	3,261	671	2,760	3,500	10,192	2,438
Performance deposits payable	-	-	-	12,000	12,000	-
Accrued liabilities and other:						
Accrued payroll payable	88,033	148,223	-	160,079	396,335	89,401
Accrued interest payable	18,618	189,638	-	101,342	309,598	1,071
Customer deposits payable	1,516,289	-	116,565	-	1,632,854	-
Unearned revenue	2,071	4,770	-	-	6,841	-
Other current payables	44,027	-	45,321	-	89,348	-
Compensated absences	-	255,080	-	159,612	414,692	272,495
Notes and loans payable	21,617	167,037	-	-	188,654	-
Mortgage bonds payable	-	73,185	-	225,000	298,185	-
Claims payable	-	-	-	-	-	2,109,761
Capital leases	394,781	596,578	-	1,058,078	2,049,437	130,541
Revenue bonds payable	1,410,000	6,980,000	-	-	8,390,000	-
Total current liabilities	4,000,429	11,483,167	290,452	2,195,310	17,969,358	3,501,331
Noncurrent liabilities:						
Advances from other funds	-	-	-	31,191	31,191	-
Notes and loans payable	290,033	1,920,134	-	-	2,210,167	-
Mortgage bonds payable	-	196,163	-	4,761,135	4,957,298	-
Capital leases	1,296,601	1,575,302	-	2,534,829	5,406,732	267,460
Revenue bonds payable	14,233,461	64,596,353	-	-	78,829,814	-
Total noncurrent liabilities	15,820,095	68,287,952	-	7,327,155	91,435,202	267,460
Total liabilities	19,820,524	79,771,119	290,452	9,522,465	109,404,560	3,768,791

See notes to financial statements.

Proprietary Funds  
Statement of Net Position (Continued)

December 31, 2017

	Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Internal Service Funds
<b>Deferred Inflows of Resources</b>						
Unamortized service agreement	\$ -	\$ -	\$ 143,750	\$ -	\$ 143,750	\$ -
Unamortized gain on sale/leaseback	-	-	-	1,049	1,049	-
Total deferred inflows of resources	-	-	143,750	1,049	144,799	-
<b>Net Position</b>						
Net investment in capital assets	38,943,616	82,760,015	17,801,414	6,079,993	145,585,038	1,360,712
Restricted:						
Debt service fund	28,017	855,193	-	-	883,210	-
Customer repair and deposit fund	1,513,788	1,860,524	-	-	3,374,312	-
Cash with fiscal agent	637,812	439,500	-	620,445	1,697,757	-
Bond reserve fund	1,389,894	4,138,349	-	-	5,528,243	-
Operating reserve fund	2,609,708	5,144,668	-	-	7,754,376	-
Capital outlay fund	2,143,258	7,336,636	865,353	39,870	10,385,117	-
Unrestricted	2,090,983	11,990,197	1,279,146	13,821,563	29,181,889	16,227,463
Total net position	<u>\$ 49,357,076</u>	<u>\$ 114,525,082</u>	<u>\$ 19,945,913</u>	<u>\$ 20,561,871</u>	<u>\$ 204,389,942</u>	<u>\$ 17,588,175</u>

Proprietary Funds  
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2017

	Enterprise Funds				Total Enterprise Funds	Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Internal Service Funds
<b>Operating Revenue</b>						
Metered revenue	\$ 10,170,849	\$ 37,924,579	\$ -	\$ -	\$ 48,095,428	\$ -
Convention fees	-	-	2,941,878	-	2,941,878	-
Fire protection revenue	2,018,754	-	-	-	2,018,754	-
Licenses and permits	-	-	-	1,898,375	1,898,375	-
Interest and penalty charges	75,208	661,502	-	-	736,710	-
Parking fees	-	-	112,915	1,262,277	1,375,192	-
Solid waste fees	-	-	-	5,346,175	5,346,175	-
Employer/ employee contributions	-	-	-	-	-	20,787,254
Charges for sales and services	-	-	-	8,370,063	8,370,063	12,702,550
Water leak insurance revenue	981,297	-	-	-	981,297	-
Other	423,853	208,131	1,000	97,814	730,798	122,905
Charges to other funds	1,613,364	-	-	-	1,613,364	-
<b>Total operating revenue</b>	<b>15,283,325</b>	<b>38,794,212</b>	<b>3,055,793</b>	<b>16,974,704</b>	<b>74,108,034</b>	<b>33,612,709</b>
<b>Operating Expenses</b>						
Cost of water	5,995,304	-	-	-	5,995,304	-
Cost of sewage treatment	-	20,136,798	-	-	20,136,798	-
Other operation and maintenance	-	-	-	15,262,278	15,262,278	12,193,809
General and administration	2,515,121	2,805,879	4,075,906	1,447,510	10,844,416	1,923,479
Insurance claims and premiums	-	-	-	-	-	14,711,882
Plumbing contractors	788,859	-	-	-	788,859	-
Customer service	2,121,742	-	-	-	2,121,742	-
Depreciation	2,005,541	7,167,451	1,039,541	1,547,132	11,759,665	159,113
<b>Total operating expenses</b>	<b>13,426,567</b>	<b>30,110,128</b>	<b>5,115,447</b>	<b>18,256,920</b>	<b>66,909,062</b>	<b>28,988,283</b>
<b>Operating Income (Loss)</b>	<b>1,856,758</b>	<b>8,684,084</b>	<b>(2,059,654)</b>	<b>(1,282,216)</b>	<b>7,198,972</b>	<b>4,624,426</b>
<b>Nonoperating Revenue (Expense)</b>						
Investment income	110,530	353,240	866	114,137	578,773	145,074
Interest expense	(666,116)	(2,377,344)	-	(241,388)	(3,284,848)	(21,586)
Hotel/motel tax revenue	-	-	1,275,000	-	1,275,000	-
Gain (loss) on sale of assets	(809,999)	(60,615)	(5,889)	(170,196)	(1,046,699)	(375,899)
Other nonoperating revenue (expenses) - Charges	6,878	-	-	-	6,878	-
Other nonoperating general revenue	-	-	-	3,588	3,588	-
<b>Total nonoperating revenue (expense)</b>	<b>(1,358,707)</b>	<b>(2,084,719)</b>	<b>1,269,977</b>	<b>(293,859)</b>	<b>(2,467,308)</b>	<b>(252,411)</b>
<b>Income (Loss) - Before capital contributions</b>	<b>498,051</b>	<b>6,599,365</b>	<b>(789,677)</b>	<b>(1,576,075)</b>	<b>4,731,664</b>	<b>4,372,015</b>
<b>Capital Contributions - Other</b>	<b>556,955</b>	<b>614,015</b>	<b>-</b>	<b>-</b>	<b>1,170,970</b>	<b>-</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167,316</b>	<b>2,167,316</b>	<b>-</b>
<b>Transfers Out</b>	<b>(1,785,924)</b>	<b>(4,422,408)</b>	<b>(82,167)</b>	<b>-</b>	<b>(6,290,499)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(730,918)</b>	<b>2,790,972</b>	<b>(871,844)</b>	<b>591,241</b>	<b>1,779,451</b>	<b>4,372,015</b>
<b>Net Position - Beginning of year</b>	<b>50,087,994</b>	<b>111,734,110</b>	<b>20,817,757</b>	<b>19,970,630</b>	<b>202,610,491</b>	<b>13,216,160</b>
<b>Net Position - End of year</b>	<b>\$ 49,357,076</b>	<b>\$ 114,525,082</b>	<b>\$ 19,945,913</b>	<b>\$ 20,561,871</b>	<b>\$ 204,389,942</b>	<b>\$ 17,588,175</b>

Proprietary Funds  
Statement of Cash Flows

Year Ended December 31, 2017

	Enterprise Funds					Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 13,451,309	\$ 38,764,528	\$ 2,993,041	\$ 17,325,447	\$ 72,534,325	\$ 3,782,960
Receipts from interfund services and reimbursements	1,608,422	31,791	-	1,200	1,641,413	29,870,670
Payments to suppliers	(5,484,408)	(12,006,315)	(4,120,065)	(6,961,746)	(28,572,534)	(23,676,127)
Payments to employees	(5,152,359)	(7,273,692)	-	(9,028,651)	(21,454,702)	(5,056,578)
Internal activity - Payments to other funds	(743,415)	(3,064,319)	(93,186)	(654,976)	(4,555,896)	(236,917)
Net cash and cash equivalents provided by operating activities	3,679,549	16,451,993	(1,220,210)	681,274	19,592,606	4,684,008
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	-	-	-	2,167,316	2,167,316	-
Hotel/motel tax	-	-	1,275,000	-	1,275,000	-
Transfers to other funds	(1,785,924)	(4,422,408)	(82,167)	-	(6,290,499)	-
Other nonoperating revenue	6,878	-	-	3,588	10,466	-
Net cash and cash equivalents used in noncapital financing activities	(1,779,046)	(4,422,408)	1,192,833	2,170,904	(2,837,717)	-
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from capital debt	-	546,090	-	784,763	1,330,853	-
Contributions	52,440	618,785	-	-	671,225	-
Proceeds from capital debt issued for future capital purchase	491,243	373,174	-	-	864,417	-
Purchase of capital assets	(504,285)	(5,662,067)	-	(731,431)	(6,897,783)	(136,794)
Principal paid on capital debt	(1,606,651)	(7,666,400)	-	(1,492,076)	(10,765,127)	(147,826)
Interest paid on capital debt	(624,483)	(2,196,651)	-	(238,532)	(3,059,666)	(20,597)
Net cash and cash equivalents used in capital and related financing activities	(2,191,736)	(13,987,069)	-	(1,677,276)	(17,856,081)	(305,217)
<b>Cash Flows from Investing Activities</b>						
Interest received on investments	111,031	355,444	866	110,713	578,054	138,840
Proceeds from sale and maturities of investment securities	1,416,775	3,345,875	-	(473,208)	4,289,442	(1,149,835)
Net cash and cash equivalents provided by investing activities	1,527,806	3,701,319	866	(362,495)	4,867,496	(1,010,995)
<b>Net Increase in Cash and Cash Equivalents</b>	1,236,573	1,743,835	(26,511)	812,407	3,766,304	3,367,796
<b>Cash and Cash Equivalents - Beginning of year (1)</b>	2,638,039	11,189,717	2,246,137	3,014,367	19,088,260	3,119,861
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 3,874,612</b>	<b>\$ 12,933,552</b>	<b>\$ 2,219,626</b>	<b>\$ 3,826,774</b>	<b>\$ 22,854,564</b>	<b>\$ 6,487,657</b>

Proprietary Funds  
Statement of Cash Flows (Continued)

Year Ended December 31, 2017

	Enterprise Funds					Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Internal Service Funds
<b>Classification of Cash and Cash Equivalents</b>						
Cash and investments	\$ 3,471,698	\$ 12,963,576	\$ 1,354,273	\$ 11,019,125	\$ 28,808,672	\$ 18,405,933
Restricted cash	8,322,477	20,416,109	865,353	660,315	30,264,254	-
Restricted investments	(7,919,563)	(20,446,133)	-	(7,852,666)	(36,218,362)	(11,918,276)
<b>Total cash and cash equivalents</b>	<b>\$ 3,874,612</b>	<b>\$ 12,933,552</b>	<b>\$ 2,219,626</b>	<b>\$ 3,826,774</b>	<b>\$ 22,854,564</b>	<b>\$ 6,487,657</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>						
Operating income (loss)	\$ 1,856,758	\$ 8,684,084	\$ (2,059,654)	\$ (1,282,216)	\$ 7,198,972	\$ 4,624,426
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	2,005,541	7,167,451	1,039,541	1,547,132	11,759,665	159,113
Lease proceeds used for noncapital expenses	471,068	-	-	280,726	751,794	84,397
Changes in assets and liabilities:						
Receivables	(173,721)	(2,984)	(41,466)	350,742	132,571	(34,647)
Due from other funds	(4,942)	(9)	-	1,200	(3,751)	75,566
Inventory	(26,163)	15,477	(4,979)	-	(15,665)	(12,429)
Prepaid expenses and other assets	(20,037)	(5,692)	(17,824)	(29,884)	(73,437)	(308,670)
Accounts payable	(270,947)	654,079	(138,284)	(78,847)	166,001	188,607
Due to other governments	-	-	-	(25,849)	(25,849)	-
Performance deposit	-	-	-	7,000	7,000	-
Due to other funds	(68,834)	(3,659)	2,760	1,064	(68,669)	(1,850)
Allowance for uncollectible accounts	-	5,100	-	-	5,100	-
Accrued liabilities and other	1,763	-	20,042	-	21,805	-
Accrued payroll payable	(10,853)	(50,744)	-	(15,641)	(77,238)	24,410
Compensated absences payable	(35,150)	(11,110)	-	(74,153)	(120,413)	92,939
Customer deposits	(44,934)	-	(20,346)	-	(65,280)	-
Estimate of unfiled claims	-	-	-	-	-	(207,854)
<b>Total adjustments</b>	<b>1,822,791</b>	<b>7,767,909</b>	<b>839,444</b>	<b>1,963,490</b>	<b>12,393,634</b>	<b>59,582</b>
<b>Net cash and cash equivalents provided by operating activities</b>	<b>\$ 3,679,549</b>	<b>\$ 16,451,993</b>	<b>\$ (1,220,210)</b>	<b>\$ 681,274</b>	<b>\$ 19,592,606</b>	<b>\$ 4,684,008</b>
<b>Significant Noncash Transactions</b>						
Capital assets disposed (at cost)	\$ (2,702,126)	\$ (3,550,121)	\$ -	\$ (679,219)	\$ (6,931,466)	\$ (3,426)
Capital asset contribution	505,465	-	-	-	505,465	-
Work in progress completed transferred to capital assets	-	2,134,607	-	-	2,134,607	-
Accumulated depreciation on disposal of capital assets	1,892,130	3,470,812	-	509,023	5,871,965	3,426
Capital assets acquired by lease	468,757	526,826	-	-	995,583	-
Net capital assets transferred between governmental and internal service funds	-	-	-	-	-	24,000

(1) 2016 ending cash inadvertently included investments. 2017 beginning cash appropriately reflects cash balance as of January 1, 2017.

Fiduciary Funds  
Statement of Fiduciary Net Position

December 31, 2017

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 390,741	\$ 8,246	\$ 3,722,118
Investments	956,132	20,178	-
Receivables:			
Interest	2,809	54	-
Accounts	2,362	424,791	-
	1,352,044	453,269	<b><u>\$ 3,722,118</u></b>
Total assets			
<b>Liabilities</b>			
Accounts payable	160	-	\$ -
Accrued liabilities and other	310	-	433,998
Customer deposits payable	-	-	2,446,226
Police distribution payable	-	-	841,894
	470	-	<b><u>\$ 3,722,118</u></b>
Total liabilities			
<b>Net Position</b>	<b><u>\$ 1,351,574</u></b>	<b><u>\$ 453,269</u></b>	

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

	<b>Year Ended December 31, 2017</b>	
	Pension Trust Funds	Private Purpose Trust Fund
<b>Additions</b>		
Investment income - Interest and dividends	\$ 9,910	\$ 25,996
Contributions:		
On behalf	11,124,891	-
Other	17,795	-
Total contributions	11,142,686	-
Total additions	11,152,596	25,996
<b>Deductions</b>		
Benefit payments	10,734,424	-
Administrative expenses	27,650	599
Total deductions	10,762,074	599
<b>Net Increase in Net Position</b>	390,522	25,397
<b>Net Position - Beginning of year</b>	961,052	427,872
<b>Net Position - End of year</b>	<b>\$ 1,351,574</b>	<b>\$ 453,269</b>

**Note 1 - Significant Accounting Policies**

***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. The following is a summary of the significant accounting policies used by the City:

***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 revenue 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 revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (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 revenue are reported instead as general revenue.

December 31, 2017

**Note 1 - Significant Accounting Policies (Continued)**

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 water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenue 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 for which specific revenue was used. The various funds are aggregated into three broad fund types:

**Governmental Funds**

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 is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Parks 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.

**Proprietary Funds**

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.

**Note 1 - Significant Accounting Policies (Continued)**

- 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, innovation & technology/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***

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 following:

- 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.

***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.

Furthermore, 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 government 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.

**Note 1 - Significant Accounting Policies (Continued)**

Revenue is not recognized until it is 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.

***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 acquisition value at the date of donation.

**Note 1 - Significant Accounting Policies (Continued)**

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 capitalized during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City in its business-type activities during the current year was \$322,201.

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

Capital Asset Class	Capitalization Threshold	Lives (in years)
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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an “other financing source,” as well as bond premiums and discounts. Net position restricted for debt service and for capital outlay shown in the business-type activities and in the enterprise funds are restricted pursuant to state statute and/or local ordinance.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position 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(s) and 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 financial position 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(s) and will not be recognized as an inflow of resources (revenue) until that time.

**Note 1 - Significant Accounting Policies (Continued)**

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***

The City will sometimes 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 Assumptions***

The City will sometimes 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 government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***

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

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

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

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

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.

**Note 1 - Significant Accounting Policies (Continued)**

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.

The fund balance policy proscribes the minimum fund balance as noted below. This is deemed to be the prudent amount to maintain the City's ability to meet obligations as they come due throughout the year.

- 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, 2017 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 are based on the taxable valuation of property as of the preceding January 1. 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, at which time penalties and interest are assessed.

***Pension***

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other Postemployment Benefit Costs***

The City offers 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, 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 1 - Significant Accounting Policies (Continued)**

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

- 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.
- 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.
- 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.
- 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.

**Note 1 - Significant Accounting Policies (Continued)**

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 revenue and expenses from nonoperating items. Operating revenue 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 revenue 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 revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

***Use of Estimates***

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

***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 its participation in the City of South Bend Retiree Health Care Plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2018.

**Note 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

December 31, 2017

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

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, Industrial Revolving, Local Road and Bridge Grant
- Debt Service Fund - College Football Hall of Fame Debt Service, Redevelopment Bond Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond Palais Royale, South Bend Building Corporation Debt Service, TIF Erskine Village Debt Service, Smart Streets Debt Service, 2017 Parks Bond Debt Service, Redevelopment Authority Debt Service, Century Center Energy Conservation Debt Service, Eddy St. Commons Debt Service
- Capital Projects Funds - Professional Sports Development, Coveleski Stadium Capital, Zoo Endowment, Park Nonreverting Capital, Cumulative Capital Development, Cumulative Capital Improvement, Morris Performing Arts Center Capital, TIF Leighton Plaza, TIF West Washington, Redevelopment General, 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, Equipment Leasing, Century Center Energy Conservation Bond, Smart Streets Bond Capital Projects, Parks Bond Capital Projects, 2017 Parks Bond, Eddy St. Commons Capital

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 except for the South Bend Building Corporation and 2017 Parks Bond Capital. These are funds held with a Trustee which had not been formally budgeted in the past. In 2017, trustee fees were not budgeted in the South Bend Building Corporation fund but were deducted from the trustee account in December 2017. A new Parks bond was issued in December 2017 and the closing costs were not formally budgeted in the Parks Bond Fund, however, were all approved during the passing of the bond. Therefore, both funds were over the formal budget in 2017.

December 31, 2017

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

**Fund Deficits**

At December 31, 2017, the following fund reported a deficit in fund equity, which are violations of State statute: Urban Development Action Grant (\$210,191).

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 revenue.

**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 must be fully collateralized by interest-bearing obligations as determined by their current market value.

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 year end, 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:

US Bank NA	\$ 29,487,514
Bank of New York Mellon	4,167,479
1st Source Bank	3,240,894
Wells Fargo Bank, NA	620,216

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

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 policy for custodial credit risk. At year end, \$80,863,205 of investment securities was 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 1 Year	One to Two Years	More than Two Years
U.S. government agency securities	\$ 80,863,205	\$ 54,012,331	\$ 19,201,827	\$ 7,649,047

**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 Measurements**

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 whereby 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, 2017:

The fair value of U.S. Government Agency securities of \$80,863,205 are valued using significant other observable inputs (Level 2 inputs).

December 31, 2017

**Note 4 - Receivables**

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2017 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:

	Receivable	Noncurrent
TIF River West	\$ 715,000	\$ 695,000
Nonmajor governmental funds:		
Economic development state grants	238,409	172,818
Community investment grants	219,486	171,199
Urban development action grant	543,909	416,655
Industrial revolving	3,858,798	3,009,863
	<u>\$ 4,860,602</u>	<u>\$ 3,770,535</u>
Total nonmajor governmental funds	<u>\$ 4,860,602</u>	<u>\$ 3,770,535</u>

**Note 5 - Net Investment in Capital Assets**

The net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets not subject to depreciation	\$ 44,664,785	\$ 23,868,925	\$ 68,533,710
Capital assets subject to depreciation - Net	223,114,162	219,924,562	443,038,724
Deferred outflows (capital related)	2,100,425	2,012,436	4,112,861
Revenue bonds payable - Current	(7,455,635)	(8,390,000)	(15,845,635)
Mortgage bonds payable - Current	(1,801,815)	(298,185)	(2,100,000)
Notes and loans payable - Current	(328,293)	(188,655)	(516,948)
Capital leases payable - Current	(2,821,969)	(2,049,437)	(4,871,406)
Revenue bonds payable - Noncurrent	(118,513,374)	(78,829,814)	(197,343,188)
Mortgage bonds payable - Noncurrent	(8,423,157)	(4,957,298)	(13,380,455)
Notes and loans payable - Noncurrent	(4,108,822)	(2,210,166)	(6,318,988)
Capital leases payable - Noncurrent	(6,973,643)	(5,406,732)	(12,380,375)
Unspent bond proceeds	36,460,018	2,109,402	38,569,420
	<u>\$ 155,912,682</u>	<u>\$ 145,585,038</u>	<u>\$ 301,497,720</u>
Net investment in capital assets	<u>\$ 155,912,682</u>	<u>\$ 145,585,038</u>	<u>\$ 301,497,720</u>

The business-type activities' unspent bond debt proceeds includes \$641,240 unspent debt proceeds (Note 10) and \$1,468,162 unspent capital lease proceeds with the latter being reported as cash with fiscal agent.

December 31, 2017

**Note 6 - Capital Assets**

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

**Governmental Activities**

	Balance January 1, 2017	Additions	Disposals and Adjustments	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 14,707,088	\$ -	\$ -	\$ 14,707,088
Construction in progress	23,595,717	11,494,134	(5,132,154)	29,957,697
Subtotal	38,302,805	11,494,134	(5,132,154)	44,664,785
Capital assets being depreciated:				
Buildings	125,966,988	436,680	(516,814)	125,886,854
Improvements other than buildings	21,377,908	141,351	-	21,519,259
Machinery and equipment	47,301,986	4,919,194	(5,127,030)	47,094,150
Roads and other infrastructure	437,067,498	4,373,042	(95,965)	441,344,575
Subtotal	631,714,380	9,870,267	(5,739,809)	635,844,838
Accumulated depreciation:				
Buildings	49,668,561	3,500,964	(494,348)	52,675,177
Improvements other than buildings	9,936,113	777,260	-	10,713,373
Machinery and equipment	33,115,197	5,463,279	(4,933,491)	33,644,985
Roads and other infrastructure	303,916,980	11,876,126	(95,965)	315,697,141
Subtotal	396,636,851	21,617,629	(5,523,804)	412,730,676
Net capital assets being depreciated	235,077,529	(11,747,362)	(216,005)	223,114,162
Net governmental activities capital assets	<u>\$ 273,380,334</u>	<u>\$ (253,228)</u>	<u>\$ (5,348,159)</u>	<u>\$ 267,778,947</u>

December 31, 2017

**Note 6 - Capital Assets (Continued)**

***Business-type Activities***

	Balance January 1, 2017	Additions	Disposals and Adjustments	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 2,614,014	\$ -	\$ -	\$ 2,614,014
Construction in progress	19,259,541	4,129,978	(2,134,608)	21,254,911
Subtotal	21,873,555	4,129,978	(2,134,608)	23,868,925
Capital assets being depreciated:				
Buildings	84,190,901	-	(957,440)	83,233,461
Improvements other than buildings	28,186,217	-	(246,894)	27,939,323
Machinery and equipment	41,959,457	2,528,595	(2,283,052)	42,205,000
Roads and other infrastructure	210,940,599	2,923,115	(3,562,106)	210,301,608
Subtotal	365,277,174	5,451,710	(7,049,492)	363,679,392
Accumulated depreciation:				
Buildings	35,418,271	2,044,128	(583,812)	36,878,587
Improvements other than buildings	7,441,963	1,238,683	(244,370)	8,436,276
Machinery and equipment	22,720,699	3,282,947	(2,048,406)	23,955,240
Roads and other infrastructure	72,354,498	5,237,741	(3,107,512)	74,484,727
Subtotal	137,935,431	11,803,499	(5,984,100)	143,754,830
Net capital assets being depreciated	227,341,743	(6,351,789)	(1,065,392)	219,924,562
Net business-type activity capital assets	<u>\$ 249,215,298</u>	<u>\$ (2,221,811)</u>	<u>\$ (3,200,000)</u>	<u>\$ 243,793,487</u>

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	\$ 43,134
Public safety	3,047,951
Highways and streets, and other general infrastructure	12,884,639
Economic development	680,058
Culture and recreation	2,877,699
Internal Service funds (depreciation is charged to the various functions based on their usage of the assets)	159,113
Total governmental activities depreciation expense	19,692,594
Prior year accumulated depreciation for transfer in to governmental activities	1,925,035
Total additions to accumulated depreciation per capital asset depreciation schedules	<u>\$ 21,617,629</u>

December 31, 2017

**Note 6 - Capital Assets (Continued)**

Business-type activities:	
Emergency medical service	\$ 494,269
Water	2,005,541
Wastewater	7,167,451
Century Center	1,039,541
Building department & code enforcement	155,713
Parking garage	216,068
Solid waste	<u>681,082</u>
Total business-type activities expense	11,759,665
Prior year accumulated depreciation for transfer in to business-type activities	<u>43,834</u>
Total additions to accumulated depreciation per capital asset depreciation schedules	<u>\$ 11,803,499</u>

**Construction Commitments**

The City has active construction projects at year end. As of December 31, 2017, the City's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Edison and Ironwood Road Corridor Rehabilitation	\$ 1,003,927	\$ 395,698
Howard Park Renovation - Demolition	140,918	13,617
Fire Station #4	1,674,818	1,533,124
Western Avenue Corridor Improve. (Bendix to Olive St.)	2,613,363	185,411
One Way to Two Way Conversion:		
Bartlett Improvements	588,059	30,555
Marion Roundabout	760,409	5,096
Main, Michigan, & St Joseph	18,669,140	1,007,970
Chippewa Avenue Roundabout	<u>4,507,063</u>	<u>333,658</u>
Total governmental activities	29,957,697	3,505,129
Business-type activities:		
Water utility:		
North Station Well #1 Replacement	93,400	14,357
Prairie Ave Water Main Loop	15,685	176,815
South Wellfield, Plant & Pressure Zone Improvements	37,681	112,319
Wastewater utility:		
Secondary Clarifier Rehab/Secondary Treatment Impr.	16,719,451	9,051
Digester Gas Utilization	702,812	51,188
WWTP Influent Gates Improvement	65,801	1,006,419
East Bank Sewer Separation Phase 5	<u>3,620,081</u>	<u>1,134</u>
Total business-type activities	<u>21,254,911</u>	<u>1,371,283</u>
Total	<u>\$ 51,212,608</u>	<u>\$ 4,876,412</u>

December 31, 2017

**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, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	River West TIF	\$ 18,875
	Water Utility	211
	Total General Fund	19,086
Parks and Recreation	Nonmajor governmental	2,726
River West TIF	Nonmajor governmental	848
Nonmajor governmental funds	Internal service	1,288
Water Utility	General	14,378
	Parks and Recreation	8,281
	EDIT	810
	Nonmajor governmental	1,375
	Wastewater Utility	671
	Nonmajor enterprise	3,500
	Internal service	1,150
	Total Water Utility	30,165
Wastewater Utility	Water Utility	3,050
Internal service	General	418
	Century Center	2,760
	Total Internal service	3,178
	Total	\$ 60,341

The City has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
General Fund	Nonmajor governmental funds	\$ 447,003
COIT	Nonmajor governmental funds	1,225,456
Nonmajor governmental funds	River West TIF	300,000
	Nonmajor governmental funds	3,157,841
	Nonmajor enterprise funds	31,191
	Total Nonmajor governmental funds	3,489,032
	Total	\$ 5,161,491

December 31, 2017

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

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.

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

Receiving Fund (Transfer In)	Paying Fund (Transfer Out)	Amount
General Fund	Water Utility	\$ 1,785,924
	Wastewater Utility	4,422,408
	Total General Fund	6,208,332
Parks and Recreation	COIT	1,640,354
	EDIT	400,000
	Total Parks and Recreation	2,040,354
EDIT	Nonmajor governmental	735,240
River West TIF	Nonmajor governmental	24,891
Nonmajor governmental	General	47,726
	COIT	1,925,974
	EDIT	4,516,738
	River West TIF	3,939,598
	Nonmajor governmental	9,620,265
	Century Center	82,167
	Total Nonmajor governmental	20,132,468
Nonmajor enterprise	EDIT	2,167,316
	Total	<u>\$ 31,308,601</u>

December 31, 2017

**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 Fund 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 \$195,110. The following is a schedule by years of future minimum rental payments as of December 31, 2017:

Years Ending December 31	Amount
2018	\$ 198,675
2019	162,166
2020	140,081
2021	108,370
2022	108,370
Total	<u>\$ 717,662</u>

**Capital Leases**

The City has entered into various lease agreements as lessee for financing the purchase of 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, 2017 are as follows:

Years Ending December 31	Governmental Activities	Business-type Activities
2018	\$ 3,015,737	\$ 2,188,756
2019	2,530,619	1,963,099
2020	2,145,675	1,901,919
2021	1,554,017	1,102,981
2022	544,011	620,300
Thereafter	<u>600,000</u>	<u>-</u>
Total minimum lease payments	10,390,059	7,777,055
Less amount representing interest	<u>594,447</u>	<u>320,886</u>
Present value	<u>\$ 9,795,612</u>	<u>\$ 7,456,169</u>

December 31, 2017

**Note 8 - Leases (Continued)**

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

	Governmental Activities	Business-type Activities
Buildings	\$ -	\$ 1,324,615
Machinery and equipment	8,864,292	6,219,293
Total	8,864,292	7,543,908
Accumulated depreciation	(3,437,787)	(3,106,510)
Total	<u>\$ 5,426,505</u>	<u>\$ 4,437,398</u>

**Note 9 - Long-term Debt**

Long-term debt activity for the year ended December 31, 2017 can be summarized as follows:

**Governmental Activities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and contracts payable:					
Mortgage bonds payable	\$ 12,091,550	\$ -	\$ (1,866,578)	\$ 10,224,972	\$ 1,801,815
Revenue bonds	99,040,132	39,075,000	(12,146,123)	125,969,009	7,455,635
Total bonds payable	111,131,682	39,075,000	(14,012,701)	136,193,981	9,257,450
Notes and loans payable	4,647,381	-	(210,266)	4,437,115	328,293
Capital leases	10,929,075	1,652,816	(2,786,279)	9,795,612	2,821,969
Subtotal	126,708,138	40,727,816	(17,009,246)	150,426,708	12,407,712
Net pension liability	180,714,296	-	(1,829,120)	178,885,176	-
Net OPEB obligation	13,285,244	1,635,492	-	14,920,736	-
Accumulated compensated absences	4,756,341	5,503,833	(4,756,341)	5,503,833	5,503,833
Total governmental activities long-term debt	<u>\$ 325,464,019</u>	<u>\$ 47,867,141</u>	<u>\$ (23,594,707)</u>	<u>\$ 349,736,453</u>	<u>\$ 17,911,545</u>

**Business-type Activities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Mortgage bonds	\$ 5,556,865	\$ -	\$ (301,382)	\$ 5,255,483	\$ 298,185
Revenue bonds	95,477,047	-	(8,257,233)	87,219,814	8,390,000
Total bonds payable:	101,033,912	-	(8,558,615)	92,475,297	8,688,185
Capital leases	6,585,123	2,947,063	(2,076,018)	7,456,168	2,049,437
Notes and loans payable	2,582,205	-	(183,384)	2,398,821	188,655
Total business-type activities long-term debt	<u>\$ 110,201,240</u>	<u>\$ 2,947,063</u>	<u>\$ (10,818,017)</u>	<u>\$ 102,330,286</u>	<u>\$ 10,926,277</u>

Total interest expense for the year was \$7,434,320.

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

***Revenue Bonds***

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 and to pay debt service.

The City has pledged future revenue, net of operating expenses, to repay water and wastewater utilities' bonds. Bond ordinances require monthly deposits of a portion of user fee revenue 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 2017, the Water Utility paid \$2,272,767 in debt payments or approximately 14.9 percent of operating revenue. The Wastewater Utility paid \$10,043,744 in debt payments or approximately 25.9 percent of operating revenue.

The City has pledged tax incremental financing revenue 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 \$557,242 during 2017. 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 \$827,155 during 2017.

December 31, 2017

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

Revenue bonds outstanding at December 31, 2017 are as follows:

Purpose	Amount
<b>Governmental Activities</b>	
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	\$ 2,278,855
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	1,795,000
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	6,375,000
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	11,185,000
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	28,760,000
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	2,875,000
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	620,000
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	245,000
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	24,540,000
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	5,190,000

December 31, 2017

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

Purpose	Amount
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	\$ 1,015,000
2017 Eddy Street Commons Phase II (First Internet Public Finance - private placement) Interest rates: 5.0% Original issue: \$25,000,000 Installments of \$628,472 to \$1,834,750 plus interest Maturity: February 15, 2037	25,000,000
2017 Park District Bonds, Series 2017A-K Interest rates: 1.75% to 5.2% Original issue: \$14,075,000 Installments of \$350,000 to \$580,000 plus interest Maturity: January 15, 2033	<u>14,075,000</u>
Total governmental activities	<u>123,953,855</u>
 <b>Business-type Activities</b>	
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	\$ 2,895,000
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	4,085,000
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	2,005,000
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	6,570,000
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	22,435,000
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	6,750,000
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	16,400,000

December 31, 2017

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

Purpose	Amount
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	19,830,000
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	<u>6,095,000</u>
Total business-type activities	<u>87,065,000</u>

***Mortgage Bonds***

Mortgage bonds outstanding at December 31, 2017 are as follows:

Purpose	Amount
<b>Governmental Activities</b>	
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	\$ 1,911,860
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>7,645,000</u>
Total governmental activities	<u>9,556,860</u>
<b>Business-type Activities</b>	
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	\$ 268,140
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	<u>4,920,000</u>
Total business-type activities	<u>5,188,140</u>

December 31, 2017

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

**Notes and Loans Payable**

Notes and loans payable outstanding at December 31, 2017 are as follows:

Purpose	Amount
<b>Governmental Activities</b>	
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	\$ 238,409
2014 Coveleski Stadium Synagogue Installment Purchase Agreement Interest rate: none Original issue: \$500,000 Installments of \$100,000 per year Maturity: January 31, 2018	100,000
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	<u>4,098,706</u>
Total governmental activities	<u>4,437,115</u>
<b>Business-type Activities</b>	
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	\$ 311,650
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>2,087,171</u>
Total business-type activities	<u>2,398,821</u>

Excluded from the governmental activities amounts outstanding are total unamortized premiums of \$668,112 and \$2,015,154 related to the mortgage bonds and revenue bonds, respectively.

Excluded from the business-type activities amounts outstanding are total unamortized premiums of \$67,343 and \$154,814 related to the mortgage bonds and revenue bonds, respectively.

**Other Long-term Liabilities**

Compensated absences for governmental activities typically have been liquidated from the General Fund and special revenue funds. All of the December 31, 2017 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.

December 31, 2017

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

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 9,585,743	\$ 5,146,211	\$ 14,731,954	\$ 8,876,840	\$ 2,749,614	\$ 11,626,454
2019	9,130,564	4,975,843	14,106,407	7,729,722	2,538,876	10,268,598
2020	9,192,967	4,636,529	13,829,496	7,733,376	2,346,547	10,079,923
2021	9,545,632	4,292,243	13,837,875	7,910,986	2,149,441	10,060,427
2022	9,305,874	3,893,829	13,199,703	8,096,301	1,948,819	10,045,120
2023-2027	34,995,959	14,298,239	49,294,198	33,126,225	6,569,409	39,695,634
2028-2032	32,027,888	8,481,113	40,509,001	20,753,511	2,033,813	22,787,324
2033-2037	24,163,203	2,662,024	26,825,227	425,000	8,925	433,925
Total	<u>\$137,947,830</u>	<u>\$ 48,386,031</u>	<u>\$186,333,861</u>	<u>\$ 94,651,961</u>	<u>\$ 20,345,444</u>	<u>\$114,997,405</u>

**Note 10 - Restricted Assets**

At December 31, 2017, the balances of restricted assets in the enterprise funds are comprised of the following:

Debt service fund	\$ 883,210
Customer repair and deposit fund	3,374,312
Cash with fiscal agent	1,697,757
Bond reserve fund	5,528,243
Operating reserve fund	7,754,376
Capital outlay accounts	9,743,877
Unspent bond proceeds	<u>641,240</u>
Total	<u>\$ 29,623,015</u>

Cash with fiscal agent includes \$1,468,162 for capital asset purchases and \$229,595 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, 2017, 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 (Consumer Price Index) 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 provided 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. No such claims occurred in 2015. In 2016, a claim was incurred at a loss of \$425,000. In 2017, a claim was incurred at a loss of \$218,522. A premium is charged to each fund based on a study of paid claims and based on the number of employees and percent of the total budget. Provisions are also made for unexpected and unusual claims.

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

***Group Health Insurance***

The City has chosen to establish a risk financing fund for risks associated with medical benefits of employees and their covered dependents. The risk financing fund is accounted for in the Self-Funded Employee Benefits Fund, an internal service fund, whereby assets are set aside for benefit costs. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per year. Claims resulting from this risk exceeded the self-retention amount during 2015, 2016, and 2017 by \$398,000, \$1,585,602, and \$109,466, 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.

December 31, 2017

**Note 13 - Risk Management (Continued)**

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

	Liability Insurance		Group Health	
	2017	2016	2017	2016
Unpaid claims - Beginning of year	\$ 1,303,401	\$ 1,476,268	\$ 1,014,214	\$ 1,097,776
Incurred claims, including claims incurred but not reported	686,896	653,732	13,366,020	12,074,811
Claim payments	(814,756)	(826,599)	(13,446,014)	(12,158,373)
Unpaid claims - End of year	<u>\$ 1,175,541</u>	<u>\$ 1,303,401</u>	<u>\$ 934,220</u>	<u>\$ 1,014,214</u>

**Note 14 - Subsequent Events**

On March 29, 2018, the City sold general obligation bonds in an amount of \$5,045,000. These bonds are financing a new Fire Station #9 and an additional building at the Fire Training Center.

On April 25, 2018, the City sold Redevelopment District Bonds in an amount of \$11,995,000. These bonds are financing various Park improvements related to the City’s overall MySB Parks and Trails Master Plan.

On May 25, 2018, the City entered into a five year capital lease in an amount of \$6,115,434. This lease will be used to finance various equipment purchases in the Fire, Solid Waste, Police, Streets, Parks and other smaller departments.

On February 28, 2012, the City, the United States of America, and the State of Indiana, agreed to a consent decree to resolve claims against the City for alleged violations of the Clean Water Act. The decree includes several provisions, including a long term control plan that requires the City to complete a construction program by December 31, 2031 at a cost of approximately \$509.5 million in 2007 dollars to comprehensively upgrade and expand the City's sewage collection, storage, conveyance, and treatment system. Under this agreement South Bend was required to undertake a review of the Plan after five years and this review was completed in 2017. The review resulted in a revised plan that calls for a reduced investment of \$200 million in 2017 dollars. The plan will meet the same environmental goals and will still run to 2031. South Bend is currently working with State and Federal environmental regulators to have this new more cost efficient plan formally endorsed.

**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, 2017 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 2017 the City approved no new industrial revenue bonds.

December 31, 2017

**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
<b>Nonspendable:</b>									
Inventory	\$ -	\$ 30,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,833
Advances to other funds	447,003	-	-	1,225,456	-	-	-	3,489,032	5,161,491
Property held for resale	-	-	-	174,999	270,001	-	8,602,922	3,668,443	12,716,365
Noncurrent loans receivable	-	-	-	-	-	-	695,000	3,770,535	4,465,535
<b>Total nonspendable</b>	<b>447,003</b>	<b>30,833</b>	<b>-</b>	<b>1,400,455</b>	<b>270,001</b>	<b>-</b>	<b>9,297,922</b>	<b>10,928,010</b>	<b>22,374,224</b>
<b>Restricted:</b>									
Debt service	-	-	-	-	-	-	-	9,282,672	9,282,672
General administration	-	-	-	-	-	-	-	3,858,116	3,858,116
Police and fire salaries	-	-	880,255	-	-	-	-	-	880,255
Police and fire programs	-	-	-	-	-	-	-	1,055,724	1,055,724
Street maintenance	-	-	-	-	-	-	-	14,088,837	14,088,837
Economic development projects	-	-	-	-	-	-	27,814,965	40,978,779	68,793,744
Parks maintenance	-	6,121,245	-	-	-	-	-	787,227	6,908,472
Culture capital projects	-	-	-	-	-	-	-	16,530,347	16,530,347
Street capital projects	-	-	-	-	-	-	-	3,904,500	3,904,500
<b>Total restricted</b>	<b>-</b>	<b>6,121,245</b>	<b>880,255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,814,965</b>	<b>90,486,202</b>	<b>125,302,667</b>
<b>Committed:</b>									
General administration	-	-	-	-	-	-	-	1,095,409	1,095,409
Police and fire programs	-	-	-	-	-	-	-	124,318	124,318
Economic development projects	-	-	-	-	-	-	-	414,621	414,621
Cultural capital	-	-	-	-	-	-	-	758,337	758,337
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,392,685</b>	<b>2,392,685</b>
<b>Assigned:</b>									
General administration	1,242,770	-	-	7,898,371	12,617,164	10,281,405	-	-	32,039,710
Police and fire programs	-	-	-	-	-	-	-	2,886	2,886
Street maintenance	-	-	-	-	-	-	-	858,520	858,520
Economic development administration	-	-	-	-	-	-	-	1,110,855	1,110,855
<b>Total assigned</b>	<b>1,242,770</b>	<b>-</b>	<b>-</b>	<b>7,898,371</b>	<b>12,617,164</b>	<b>10,281,405</b>	<b>-</b>	<b>1,972,261</b>	<b>34,011,971</b>
<b>Unassigned</b>									
	33,776,487	-	-	-	-	-	-	(626,846)	33,149,641
<b>Total fund balance</b>	<b>\$ 35,466,260</b>	<b>\$ 6,152,078</b>	<b>\$ 880,255</b>	<b>\$ 9,298,826</b>	<b>\$ 12,887,165</b>	<b>\$ 10,281,405</b>	<b>\$ 37,112,887</b>	<b>\$ 105,152,312</b>	<b>\$ 217,231,188</b>

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

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

**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.

December 31, 2017

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

**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, 2017, the City contributed \$696,083 to the plan for current premiums. Police and fire members receiving benefits contributed approximately 37 percent of the total premiums through their required contribution of \$214 per month for retiree-only coverage and approximately 43 percent of the total premiums through their required contribution of \$643 for retiree and spouse coverage. General employee members receiving benefits contributed approximately 100 percent of the total premiums through their required contribution of \$605 and \$552 per month for retiree-only coverage and \$1,587 and \$1,429 for retiree and spouse coverage for the PPO and HDHP plans, respectively.

**Funding Progress**

For the year ended December 31, 2017, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2017. The valuation computes an annual required contribution, which 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)	\$ 2,549,341
Interest on the prior year's net OPEB obligation	597,836
Less adjustment to the annual required contribution	<u>(815,602)</u>
Annual OPEB cost	2,331,575
Amounts contributed - Payment of current premiums	<u>(696,083)</u>
Increase in net OPEB obligation	1,635,492
OPEB obligation - Beginning of year	<u>13,285,244</u>
OPEB obligation - End of year	<u><u>\$ 14,920,736</u></u>

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 Costs	Percentage Contributed	Net OPEB Obligation
December 31, 2015	\$ 2,336,489	30.80 %	\$ 11,660,935
December 31, 2016	2,374,852	31.60	13,285,244
December 31, 2017	2,331,575	29.90	14,920,736

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)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
January 1, 2015	\$ -	\$ 21,512,260	\$ 21,512,260	-	% \$ 51,521,030	41.75 %
January 1, 2016	-	21,512,260	21,512,260	-	51,521,030	41.75
January 1, 2017	-	21,847,997	21,847,997	-	57,547,446	37.97

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

***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 December 31, 2017, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$21,847,997 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$21,847,997. The covered payroll was \$57,547,446, which as a percentage of the actuarial accrued liability was 263 percent.

In the December 31, 2017 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 9.0 percent initially reduced by decrements to an ultimate rate of 5 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

**Note 18 - Pension Plans**

***Plan Description***

**Public Employees' Retirement Fund**

The Public Employees' Retirement Fund, a cost-sharing multiple-employer plan, administered by the Indiana Public Employees' Retirement Plan (INPRS) Board, 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 pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

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

**Note 18 - Pension Plans (Continued)**

**1925 Police Officers' Pension Plan**

The City contributes to the 1925 Police Officers' Pension Plan, a single-employer defined benefit pension plan 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 1925 Police Officers' Pension plan is vested in the pension board, which consists of nine members - six elected by plan members, the Mayor, the Chief, and the City Controller.

The pension plan is closed to new entrants.

**1937 Firefighters' Pension Plan**

The City contributes to the 1937 Firefighters' Pension Plan, a single-employer defined benefit pension plan administered by the 1937 Firefighters' Pension Plan 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 1937 Firefighters' Pension Plan is vested in the pension board.

The pension plan is closed to new entrants.

***Benefits Provided***

**Public Employees' Retirement Fund**

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 percent plus the employee's Annuity Savings account. Normal retirement ages is 60 with early retirement at 50-59 with 15 years of service. Vesting period is 10 years. An employee 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.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

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.

December 31, 2017

**Note 18 - Pension Plans (Continued)**

**1925 Police Officers' Pension Plan**

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 financial statements of the plan are included in these financial statements as a pension trust fund (a fiduciary fund).

**1937 Firefighters' Pension Plan**

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 financial statements of the plan are included in these financial statements as a pension trust fund (a fiduciary fund).

***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	<u>1925 Police Officers' Pension Plan</u>	<u>1937 Firefighters' Pension Plan</u>
Date of member count	December 31, 2017	December 31, 2017
Inactive plan members or beneficiaries currently receiving benefits	207	162
Active plan members	<u>4</u>	<u>4</u>
Total employees covered by the plan	<u><u>211</u></u>	<u><u>166</u></u>

***Contributions***

**Public Employees' Retirement Fund**

Per Indiana Code, Title 5, Articles 10.2 and 10.3, the 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, 2017 was 11.2 percent of annual payroll. Contributions to the plan from the City were \$3,190,856 for the year ended December 31, 2017.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

Per Indiana State statute (IC 36 8 8 and IC 36 8 8.5), the 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, 2017 was 17.5 percent of annual payroll. Contributions to the plan from the City were \$4,949,827 for the year ended December 31, 2017.

**1925 Police Officers' Pension Plan**

Plan members are required by state statute (IC 36 8 6 4) to contribute an amount equal to six percent (6 percent) of the salary of a first class patrolman. The contribution requirements of plan members are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note. The net pension liability (NPL) is considered an obligation of the City and is reflected in the statement of net position. The State of Indiana is required by statute to reimburse the City for benefits paid and has contributed \$6,204,179 during 2017 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

December 31, 2017

**Note 18 - Pension Plans (Continued)**

**1937 Firefighters' Pension Plan**

Plan members are required by state statute (IC 36 8 7 8) to contribute an amount equal to six percent (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 \$4,920,712 during 2017 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

***Net Pension Liability***

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Measurement date used for the City NPL	June 30, 2017	June 30, 2017	December 31, 2017	December 31, 2017
Based on a comprehensive actuarial valuation as of	June 30, 2017	June 30, 2017	December 31, 2017	December 31, 2017

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

**1925 Police Officers' Pension Plan**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at January 1, 2017</b>	\$ 84,083,604	\$ 793,858	\$ 83,289,746
Changes for the year:			
Service cost	78,812	-	78,812
Interest	2,653,831	-	2,653,831
Differences between expected and actual experience	995,949	-	995,949
Changes in assumptions	3,926,922	-	3,926,922
Non-employer contributing entity contributions	-	6,204,179	(6,204,179)
Net investment income	-	6,557	(6,557)
Other revenue	-	13,544	(13,544)
Benefit payments, including refunds	(6,045,097)	(6,119,245)	74,148
Administrative expenses	-	(13,577)	13,577
Net changes	1,610,417	91,458	1,518,959
<b>Balance at December 31, 2017</b>	<b>\$ 85,694,021</b>	<b>\$ 885,316</b>	<b>\$ 84,808,705</b>

The plan's fiduciary net position represents 1.03 percent of the total pension liability.

December 31, 2017

**Note 18 - Pension Plans (Continued)**

**1937 Firefighters' Pension Plan**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at January 1, 2017</b>	\$ 69,624,264	\$ 167,194	\$ 69,457,070
Changes for the year:			
Service cost	81,717	-	81,717
Interest	2,124,050	-	2,124,050
Differences between expected and actual experience	(1,611,010)	-	(1,611,010)
Changes in assumptions	3,179,702	-	3,179,702
Non-employer contributing entity contributions	-	4,920,712	(4,920,712)
Net investment income	-	3,353	(3,353)
Other revenue	-	4,251	(4,251)
Benefit payments, including refunds	(4,727,592)	(4,615,179)	(112,413)
Administrative expenses	-	(14,073)	14,073
<b>Net changes</b>	<b>(953,133)</b>	<b>299,064</b>	<b>(1,252,197)</b>
<b>Balance at December 31, 2017</b>	<b>\$ 68,671,131</b>	<b>\$ 466,258</b>	<b>\$ 68,204,873</b>

The plan's fiduciary net position represents 0.68 percent of the total pension liability.

**Public Employees' Retirement Fund**

At December 31, 2017, the City reported a liability of \$25,871,598 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, relative to all other contributing employers. At June 30, 2017, the City's proportion was 0.57988 percent, which was a increase of 0.03243 from its proportion measured as of June 30, 2016.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

At December 31, 2017, the City reported a pension asset of \$539,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, relative to all other contributing employers. At June 30, 2017, the City's proportion was 3.49894 percent, which was a decrease of 0.0151 from its proportion measured as of June 30, 2016.

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

For the year ended December 31, 2017, the City recognized pension expense of \$18,902,757 from all plans.

December 31, 2017

**Note 18 - Pension Plans (Continued)**

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

***Public Employees' Retirement Fund***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 491,330	\$ 20,079
Changes in assumptions	415,390	-
Net difference between projected and actual earnings on pension plan investments	4,092,433	1,297,112
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	833,257	303,016
Employer contributions to the plan subsequent to the measurement date	2,263,154	-
	<u>2,263,154</u>	<u>-</u>
Total	<u>\$ 8,095,564</u>	<u>\$ 1,620,207</u>

***1977 Police Officers' and Firefighters' Pension and Disability Fund***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,173,464	\$ 1,695,971
Changes in assumptions	-	8,072,827
Net difference between projected and actual earnings on pension plan investments	10,661,978	3,535,962
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	100,623	128,857
Employer contributions to the plan subsequent to the measurement date	3,314,132	-
	<u>3,314,132</u>	<u>-</u>
Total	<u>\$ 16,250,197</u>	<u>\$ 13,433,617</u>

December 31, 2017

**Note 18 - Pension Plans (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and therefore will not be included in future pension expense):

**Public Employees' Retirement Fund**

Years Ending December 31	Amount
2018	\$ 1,653,654
2019	2,080,452
2020	617,277
2021	(139,180)
2022	-
Thereafter	-
Total	<u>\$ 4,212,203</u>

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

Years Ending December 31	Amount
2018	\$ 922,579
2019	2,715,368
2020	193,387
2021	(1,679,285)
2022	(1,243,491)
Thereafter	(1,406,110)
Total	<u>\$ (497,552)</u>

**Actuarial Assumptions**

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases (including inflation)	2.5-4.25%	2.50%	2.50%	2.50%
Investment rate of return (net of investment expenses)	6.75%	6.75%	2.75%	2.75%
Mortality rates	RP-2014 Mortality Table with adjustments for mortality improvements based on scale MP 2014	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on scale MP 2014	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on scale MP 2014	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on scale MP 2014

**Note 18 - Pension Plans (Continued)**

The actuarial assumptions used in the June 30, 2017 actuarial valuation date valuation were based on the results of an actuarial experience study for the four years ended June 30, 2014.

**Discount Rate**

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

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.

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Assumed investment rate of return	7.50%	7.25%	2.75%	2.75%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes	No	No
Discount rate used to measure TPL	6.25%	7.25%	2.75%	2.75%

1925 Police Officers' Pension Plan's and 1937 Firefighters' Pension Plan's fiduciary net position were not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.75 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond (as referenced in *The Wall Street Journal*, December 31, 2017).

**Investment Rate of Return**

Best estimates of arithmetic real rates of return as of the June 30, 2017 measurement date for the Public Employees' Retirement Fund and 1977 Police Officers' and Firefighters' Pension and Disability Fund and December 31, 2017 measurement date for the 1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Plan, and 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 tables:

**Public Employees' Retirement Fund and 1977 Police Officers' and Firefighters' Pension and Disability Fund**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equity	22.00 %	4.90 %
Private equity	14.00	5.70
Fixed income - Ex inflation - Linked	20.00	2.30
Fixed income - Inflation - Linked	7.00	0.60
Commodities	8.00	2.20
Real estate	7.00	3.70
Absolute return	10.00	3.90
Risk parity	12.00	5.10

December 31, 2017

**Note 18 - Pension Plans (Continued)**

**1925 Police Officers' Pension Plan**

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

**1937 Firefighters' Pension Plan**

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

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

	1 Percent Decrease	Current Discount Rate	1 Percent Increase
Net pension liability of the Public Employees' Retirement Fund	\$ 37,732,683	\$ 25,871,598	\$ 16,011,736
Net pension liability of the 1977 Police Officers' and Firefighters' Pension and Disability Fund	29,515,190	(539,725)	(24,825,086)
Net pension liability of the 1925 Police Officers' Pension Plan	93,998,609	84,808,705	77,044,550
Net pension liability of the 1937 Firefighters' Pension Plan	75,682,202	68,204,873	61,897,905

***Pension Plan Fiduciary Net Position***

**Public Employees' Retirement Fund**

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.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

Detailed information about the plan's fiduciary net position is available in a separately issued financial report available at [www.in.gov/inprs/files/2017\\_INPRSCAFRBookWeb.pdf](http://www.in.gov/inprs/files/2017_INPRSCAFRBookWeb.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 18 - Pension Plans (Continued)**

**1925 Police Officers' Pension Plan**

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

**1937 Firefighters' Pension Plan**

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

**Assumption Changes**

The actuarial assumptions used in the Public Employees Retirement Fund and the 1977 Police Officers' and Firefighters' Pension and Disability Fund were the same assumptions used in the 2016 valuations, except for the mortality assumption for disabled members. The RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments. There were no changes in actuarial methods for both the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension plan.

**Investment Policy**

The 1925 Police Officers' Pension Plan and the 1937 Firefighters' 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, 2017:

Asset Class	Target Allocation
Cash or cash equivalents	24 %
Government agency securities	76

**Rate of Return**

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

December 31, 2017

**Note 19 - Pension Trust Funds**

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

	1925 Police Pension	1937 Firefighters' Pension
<b>Statement of Net Position</b>		
Cash and investments	\$ 883,586	\$ 463,287
Other assets	1,821	3,350
Liabilities	(91)	(379)
Net position	<u>\$ 885,316</u>	<u>\$ 466,258</u>
<b>Statement of Changes in Net Position</b>		
Investment income	\$ 6,557	\$ 3,353
Contributions	6,204,179	4,920,712
Other additions	13,544	4,251
Benefit payments	(6,119,245)	(4,615,179)
Other deductions	(13,577)	(14,073)
Net change in net position	<u>\$ 91,458</u>	<u>\$ 299,064</u>

**Note 20 - 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, 2017, the total expenses incurred were \$45,028. 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 21 - 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, 2017, the City abated property taxes totaling \$1,051,208 under this program. One industrial property had property taxes abated that exceeded 10 percent of the total amount. For this property the taxes abated were \$558,818.

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## Required Supplemental Information

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**City of South Bend, Indiana**

**Required Supplemental Information  
1925 Police Officers' Pension Plan Schedule of Investment Returns**

**Last Four Fiscal Years  
Years Ended December 31**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.8 %	1.0 %	0.8 %	0.6 %

Information is presented for the years available

Required Supplemental Information  
1925 Police Officers' Pension Plan Schedule of City Contributions

**Last Ten Fiscal Years  
Years Ended December 31**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 6,119,059	\$ 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
Contributions in relation to the actuarially determined contribution	6,204,179	6,364,236	6,232,645	6,116,195	5,837,216	6,776,614	6,512,842	5,805,597	6,355,442	5,072,985
<b>Contribution Excess (Deficiency)</b>	<b>\$ 85,120</b>	<b>\$ 230,847</b>	<b>\$ 159,596</b>	<b>\$ (316,605)</b>	<b>\$ (795,984)</b>	<b>\$ (209,586)</b>	<b>\$ (804,958)</b>	<b>\$ (867,503)</b>	<b>\$ 359,742</b>	<b>\$ (1,348,515)</b>
<b>Covered Employee Payroll</b>	\$ -	\$ -	\$ 441,200	\$ 441,200	\$ 430,000	\$ 421,800	\$ 542,900	\$ 569,500	\$ 611,000	\$ 652,000
<b>Contributions as a Percentage of Covered Employee Payroll</b>	- %	- %	1,412.7 %	1,386.3 %	1,357.5 %	1,606.6 %	1,199.6 %	1,019.4 %	1,040.2 %	778.1 %

**Notes to Schedule of Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2017

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 increase	2.50% per year
Investment rate of return	2.75% 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 Net Pension Liability and Related Ratios 1925 Police Officers' Pension Plan

	Last Four Fiscal Years			
	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 78,812	\$ 164,481	\$ 184,104	\$ 157,965
Interest	2,653,831	2,344,653	2,415,583	3,721,864
Differences between expected and actual experience	995,949	396,259	(2,973,249)	-
Changes in assumptions	3,926,922	(5,617,308)	(294,402)	12,487,771
Projected benefit payments	<u>(6,045,097)</u>	<u>(5,977,290)</u>	<u>(6,061,589)</u>	<u>(6,122,870)</u>
<b>Net Change in Total Pension Liability</b>	1,610,417	(8,689,205)	(6,729,553)	10,244,730
<b>Total Pension Liability - Beginning of year</b>	<u>84,083,604</u>	<u>92,772,809</u>	<u>99,502,362</u>	<u>89,257,632</u>
<b>Total Pension Liability - End of year</b>	<b><u>\$ 85,694,021</u></b>	<b><u>\$ 84,083,604</u></b>	<b><u>\$ 92,772,809</u></b>	<b><u>\$ 99,502,362</u></b>
<b>Plan Fiduciary Net Position</b>				
Contributions - Other	\$ 13,544	\$ 15,749	\$ 62	\$ 4,329
Contributions - Non-employer entity	6,204,179	5,991,750	6,378,359	6,111,865
Net investment income	6,557	6,713	4,376	3,759
Administrative expenses	(13,577)	(13,551)	(12,462)	(10,957)
Benefit payments, including refunds	<u>(6,119,245)</u>	<u>(6,364,236)</u>	<u>(6,323,646)</u>	<u>(6,705,815)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	91,458	(363,575)	46,689	(596,819)
<b>Plan Fiduciary Net Position - Beginning of year</b>	<u>793,857</u>	<u>1,157,432</u>	<u>1,110,743</u>	<u>1,707,562</u>
<b>Plan Fiduciary Net Position - End of year</b>	<b><u>\$ 885,315</u></b>	<b><u>\$ 793,857</u></b>	<b><u>\$ 1,157,432</u></b>	<b><u>\$ 1,110,743</u></b>
<b>City's Net Pension Liability - Ending</b>	<b><u>\$ 84,808,706</u></b>	<b><u>\$ 83,289,747</u></b>	<b><u>\$ 91,615,377</u></b>	<b><u>\$ 98,391,619</u></b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	1.03 %	0.94 %	1.25 %	1.12 %
<b>Covered Employee Payroll</b>	\$ -	\$ -	\$ 441,200	\$ 441,200
<b>City's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	- %	- %	20,765.04 %	22,300.91 %

Information is presented for the years available

Required Supplemental Information  
Schedule of Pension Investment Returns  
1937 Firefighters' Pension Plan

**Last Four Fiscal Years  
Years Ended December 31**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.80 %	1.00 %	0.80 %	0.60 %

Information is presented for the years available

Required Supplemental Information  
1937 Firefighters' Pension Plan Schedule of City Contributions

**Last Ten Fiscal Years  
Years Ended December 31**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 4,727,592	\$ 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
Contributions in relation to the actuarially determined contribution	4,920,712	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
<b>Contribution Excess (Deficiency)</b>	<b>\$ 193,120</b>	<b>\$ 13,566</b>	<b>\$ 220,116</b>	<b>\$ (305,819)</b>	<b>\$ (499,581)</b>	<b>\$ (578,730)</b>	<b>\$ (895,958)</b>	<b>\$ (639,254)</b>	<b>\$ 157,758</b>	<b>\$ 266,172</b>
<b>Covered Employee Payroll</b>	\$ -	\$ -	\$ 328,600	\$ 328,600	\$ 319,300	\$ 365,500	\$ 397,100	\$ 429,500	\$ 474,450	\$ 519,400
<b>Contributions as a Percentage of Covered Employee Payroll</b>	- %	- %	1,581.61 %	1,561.35 %	1,582.00 %	1,425.05 %	1,385.98 %	1,204.22 %	1,141.61 %	905.35 %

**Notes to Schedule of Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2017

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 increase	2.50% per year
Investment rate of return	2.75% 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 Net Pension Liability and Related Ratios 1937 Firefighters' Pension Plan

	Last Four Fiscal Years			
	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 81,717	\$ 163,162	\$ 155,487	\$ 114,297
Interest	2,124,050	1,940,826	2,020,796	3,155,669
Differences between expected and actual experience	(1,611,010)	(262,337)	(2,816,692)	-
Changes in assumptions	3,179,702	(4,645,609)	(245,887)	9,620,657
Projected benefit payments	(4,727,592)	(4,980,991)	(5,094,762)	(5,206,870)
<b>Net Change in Total Pension Liability</b>	(953,133)	(7,784,949)	(5,981,058)	7,683,753
<b>Total Pension Liability - Beginning of year</b>	69,624,264	77,409,213	83,390,271	75,706,518
<b>Total Pension Liability - End of year</b>	<b>\$ 68,671,131</b>	<b>\$ 69,624,264</b>	<b>\$ 77,409,213</b>	<b>\$ 83,390,271</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - Other	\$ 4,251	\$ 6,279	\$ 2,667	\$ 1,484
Contributions - Non-employer entity	4,920,712	4,866,271	5,039,025	5,129,098
Net investment income	3,352	2,852	2,675	1,963
Administrative expenses	(14,771)	(14,485)	(14,255)	(10,920)
Benefit payments, including refunds	(4,614,480)	(5,165,757)	(5,197,159)	(5,407,429)
<b>Net Change in Plan Fiduciary Net Position</b>	299,064	(304,840)	(167,047)	(285,804)
<b>Plan Fiduciary Net Position - Beginning of year</b>	167,194	472,034	639,081	924,885
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 466,258</b>	<b>\$ 167,194</b>	<b>\$ 472,034</b>	<b>\$ 639,081</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 68,204,873</b>	<b>\$ 69,457,070</b>	<b>\$ 76,937,179</b>	<b>\$ 82,751,190</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	0.68 %	0.24 %	0.61 %	0.77 %
<b>Covered Employee Payroll</b>	\$ -	\$ -	\$ 328,600	\$ 328,600
<b>City's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	- %	- %	23,413.63 %	25,182.95 %

Information is presented for the years available

**Required Supplemental Information  
Schedule of OPEB Funding Progress**

**Last Ten Fiscal Years  
Years Ended December 31**

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
January 1, 2012	\$ -	\$18,649,906	\$18,649,906	-	\$ -	-
January 1, 2013	-	21,493,998	21,493,998	-	-	-
January 1, 2014	-	21,493,998	21,493,998	-	-	-
January 1, 2015	-	21,512,620	21,512,620	-	51,521,030	41.76
January 1, 2016	-	21,512,620	21,512,620	-	51,521,030	41.76
January 1, 2017	-	21,847,997	21,847,997	-	57,547,446	37.97

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

Required Supplemental Information  
 Schedule of City Contributions  
 Public Employees' Retirement Fund

Last Three Fiscal Years  
 Years Ended December 31

	2017	2016	2015
Actuarially determined contribution	\$ 5,307,308	\$ 4,526,527	\$ 3,650,212
Contributions in relation to the actuarially determined contribution	3,219,677	2,933,996	2,982,234
<b>Contribution Deficiency</b>	<b>\$ (2,087,631)</b>	<b>\$ (1,592,531)</b>	<b>\$ (667,978)</b>
<b>Covered Employee Payroll</b>	<b>\$ 28,768,543</b>	<b>\$ 26,237,016</b>	<b>\$ 26,681,229</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>11.19 %</b>	<b>11.18 %</b>	<b>11.18 %</b>

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2017

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 increase	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 1.00% per year in retirement

Information is presented for the years available

## City of South Bend, Indiana

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

	<b>Last Four Fiscal Years</b>			
	<b>For the Plan Years Ended December 31</b>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.57988 %	0.54700 %	0.55700 %	0.56300 %
City's proportionate share of the net pension liability (asset)	\$ 25,871,598	\$ 24,845,715	\$ 22,687,694	\$ 14,807,363
City's covered employee payroll	\$ 28,768,543	\$ 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	89.93 %	94.70 %	85.03 %	53.83 %
Plan fiduciary net position as a percentage of total pension liability	76.60 %	75.30 %	77.30 %	84.30 %

Information is presented for the years available



## City of South Bend, Indiana

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

	<b>Last Four Fiscal Years</b>			
	<b>For the Plan Years Ended December 31</b>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.72294 %	1.75600 %	1.78700 %	1.82900 %
City's proportionate share of the net pension liability (asset)	\$ (265,770)	\$ 1,559,932	\$ (2,640,039)	\$ (932,236)
City's covered employee payroll	\$ 13,968,031	\$ 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	(1.90)%	11.49 %	(19.81)%	(7.18)%
Plan fiduciary net position as a percentage of total pension liability	100.30 %	98.20 %	103.20 %	101.10 %

Information is presented for the years available

Required Supplemental Information  
Schedule of City Contributions  
1977 Firefighters' Pension and Disability Fund

	<b>Last Three Fiscal Years Years Ended December 31</b>		
	2017	2016	2015
Actuarially determined contribution	\$ 2,232,482	\$ 2,053,807	\$ 743,238
Contributions in relation to the actuarially determined contribution	2,677,560	2,673,917	2,666,116
<b>Contribution Deficiency</b>	<b>\$ (445,078)</b>	<b>\$ (620,110)</b>	<b>\$ (1,922,878)</b>
<b>City's Covered Employee Payroll</b>	\$ 14,398,217	\$ 13,588,032	\$ 13,533,745
<b>Contributions as a Percentage of Covered Employee Payroll</b>	18.60 %	19.68 %	19.70 %

Information is presented for the years available

**Notes to Schedule of City Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2017

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 increase	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 Schedule of the City's Proportionate Share of the Net Pension Liability 1977 Firefighters' Pension and Disability Fund

	<b>Last Four Fiscal Years</b>			
	<b>For the Plan Years Ended December 31</b>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.77600 %	1.75800 %	1.81500 %	1.79500 %
City's proportionate share of the net pension liability (asset)	\$ (273,955)	\$ 1,561,833	\$ (2,680,987)	\$ (915,265)
City's covered employee payroll	\$ 14,398,217	\$ 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	(1.90)%	11.49 %	(19.81)%	(7.18)%
Plan fiduciary net position as a percentage of total pension liability	100.30 %	98.20 %	103.20 %	101.10 %

Information is presented for the years available

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 General Fund

Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Taxes - Property	\$ 39,188,000	\$ 39,599,000	\$ 39,568,076	\$ (30,924)
Licenses and permits	208,730	241,798	239,745	(2,053)
Intergovernmental	10,702,321	10,452,076	10,641,914	189,838
Charges for services	7,605	7,638	5,264	(2,374)
Fines and forfeits	920	9,294	8,919	(375)
Other	<u>3,502,666</u>	<u>4,261,441</u>	<u>3,786,799</u>	<u>(474,642)</u>
Total revenue	<u>53,610,242</u>	<u>54,571,247</u>	<u>54,250,717</u>	<u>(320,530)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor:				
Personnel services	704,849	703,814	658,820	44,994
Supplies	3,000	3,119	1,687	1,432
Other services and charges	164,955	165,990	165,498	492
City Clerk:				
Personnel services	349,234	349,234	325,918	23,316
Supplies	7,800	8,800	7,234	1,566
Other services and charges	149,151	178,182	164,556	13,626
Capital outlay	-	-	-	-
Common Council:				
Personnel services	303,921	304,402	291,220	13,182
Supplies	4,500	16,003	8,124	7,879
Other services and charges	220,243	250,743	226,777	23,966
WNIT Contract:				
Other services and charges	43,000	43,000	43,000	-
Administration/Finance:				
Personnel services	2,053,815	2,041,635	2,004,639	36,996
Supplies	23,500	25,158	23,912	1,246
Other services and charges	338,445	409,558	400,398	9,160
Legal Department:				
Personnel services	968,368	961,703	895,972	65,731
Supplies	3,450	10,877	9,318	1,559
Other services and charges	140,182	185,987	175,118	10,869

**City of South Bend, Indiana**

**Required Supplementary Information**  
**Budgetary Comparison Schedule - Major Special Revenue Funds**  
**(Continued)**  
**General Fund (Continued)**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
General government (Continued):				
Human Rights:				
Personnel services	\$ 294,036	\$ 294,036	\$ 280,291	\$ 13,745
Supplies	1,037	1,037	559	478
Other services and charges	130,732	130,732	124,070	6,662
Total General Government	<u>5,904,218</u>	<u>6,084,010</u>	<u>5,807,111</u>	<u>276,899</u>
Public Safety:				
Police Department:				
Personnel services	23,671,143	22,901,143	22,683,180	217,963
Supplies	273,227	1,421,776	1,301,302	120,474
Other services and charges	4,760,916	5,310,514	5,027,546	282,968
Capital outlay	-	35,000	17,028	17,972
Communication Center:				
Personnel services	-	-	-	-
Other services and charges	-	-	-	-
Fire Department:				
Personnel services	17,598,488	17,424,592	17,206,362	218,230
Supplies	446,410	502,435	411,766	90,669
Other services and charges	2,814,965	3,184,439	3,132,759	51,680
Total Public Safety	<u>49,565,149</u>	<u>50,779,899</u>	<u>49,779,943</u>	<u>999,956</u>
Highways and Streets - Engineering:				
Personnel services	841,376	841,636	731,815	109,821
Supplies	31,800	34,113	27,004	7,109
Other services and charges	496,331	609,408	597,690	11,718
Total highways and streets	<u>1,369,507</u>	<u>1,485,157</u>	<u>1,356,509</u>	<u>128,648</u>
Culture and recreation:				
Palais Royale Ballroom:				
Personnel services	142,131	142,131	122,489	19,642
Supplies	1,600	3,398	2,139	1,259
Other services and charges	362,486	384,671	373,347	11,324
Capital outlay	-	-	-	-

**City of South Bend, Indiana**

**Required Supplementary Information**  
**Budgetary Comparison Schedule - Major Special Revenue Funds**  
**(Continued)**  
**General Fund (Continued)**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Culture and recreation (Continued):				
Morris Performing Arts Center:				
Personnel services	\$ 510,299	\$ 510,299	\$ 449,335	\$ 60,964
Supplies	3,600	7,697	5,446	2,251
Other services and charges	728,278	753,043	731,110	21,933
Total culture and recreation	<u>1,748,394</u>	<u>1,801,239</u>	<u>1,683,866</u>	<u>117,373</u>
Total expenditures	<u>58,587,268</u>	<u>60,150,305</u>	<u>58,627,429</u>	<u>1,522,876</u>
Other financing sources - Transfers In	<u>4,977,026</u>	<u>4,977,026</u>	<u>4,976,976</u>	<u>(50)</u>
Other financing sources - Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(602,032)	600,264	1,202,296
Fund balances - Beginning	<u>34,439,801</u>	<u>34,439,801</u>	<u>34,439,801</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 34,439,801</u></b>	<b><u>\$ 33,837,769</u></b>	<b><u>\$ 35,040,065</u></b>	<b><u>\$ 1,202,296</u></b>

**City of South Bend, Indiana**

**Required Supplementary Information**  
**Budgetary Comparison Schedule - Major Special Revenue Funds**  
**(Continued)**  
**Parks and Recreation**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes - Property	\$ 7,878,000	\$ 8,900,000	\$ 9,033,731	\$ 133,731
Intergovernmental	2,180,007	7,180,007	2,206,785	(4,973,222)
Charges for services	2,905,347	3,046,464	2,440,921	(605,543)
Fines and forfeits	-	-	-	-
Other	<u>612,431</u>	<u>1,078,403</u>	<u>958,446</u>	<u>(119,957)</u>
Total revenue	<u>13,575,785</u>	<u>20,204,874</u>	<u>14,639,883</u>	<u>(5,564,991)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	8,194,663	8,309,352	7,742,299	567,053
Supplies	1,316,177	1,300,323	915,953	384,370
Other services and charges	3,979,271	5,330,363	4,503,007	827,356
Capital outlay	-	4,000,000	-	4,000,000
Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,490,111</u>	<u>18,940,038</u>	<u>13,161,259</u>	<u>5,778,779</u>
Other financing sources - Transfers out	<u>(93,000)</u>	<u>(102,850)</u>	<u>-</u>	<u>102,850</u>
Net change in fund balances	(7,326)	1,161,986	1,478,624	316,638
Fund balances - Beginning	<u>4,499,169</u>	<u>4,499,169</u>	<u>4,499,169</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 4,491,843</b></u>	<u><b>\$ 5,661,155</b></u>	<u><b>\$ 5,977,793</b></u>	<u><b>\$ 316,638</b></u>

**City of South Bend, Indiana**

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 (Continued)  
 Public Safety LOIT

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes - County option income	\$ 7,467,618	\$ 7,467,618	\$ 7,467,618	\$ -
Other	<u>6,000</u>	<u>11,000</u>	<u>8,413</u>	<u>(2,587)</u>
Total revenue	<u>7,473,618</u>	<u>7,478,618</u>	<u>7,476,031</u>	<u>(2,587)</u>
Expenditures:				
Personnel services	<u>7,462,645</u>	<u>7,462,645</u>	<u>7,429,100</u>	<u>33,545</u>
Net change in fund balances	10,973	15,973	46,931	30,958
Fund balances - Beginning	<u>940,622</u>	<u>940,622</u>	<u>940,622</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 951,595</u></b>	<b><u>\$ 956,595</u></b>	<b><u>\$ 987,554</u></b>	<b><u>\$ 30,958</u></b>

**City of South Bend, Indiana**

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 (Continued)  
 COIT

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes - County option income	\$ 10,459,265	\$ 10,459,265	\$ 10,459,265	\$ -
Other	<u>221,142</u>	<u>624,163</u>	<u>605,577</u>	<u>(18,586)</u>
Total revenue	<u>10,680,407</u>	<u>11,083,428</u>	<u>11,064,842</u>	<u>(18,586)</u>
Expenditures:				
Current:				
General Government:				
Personnel Services	-	-	-	-
Supplies	1,065,682	1,118,191	913,659	204,532
Other services and charges	6,247,494	6,997,606	6,927,096	70,510
Capital outlay	<u>275,000</u>	<u>513,218</u>	<u>343,100</u>	<u>170,118</u>
Total expenditures	<u>7,588,176</u>	<u>8,629,015</u>	<u>8,183,855</u>	<u>445,160</u>
Other financing uses - Transfers out	<u>(3,092,231)</u>	<u>(3,442,578)</u>	<u>(3,442,578)</u>	<u>-</u>
Net change in fund balances	-	(988,165)	(561,591)	426,574
Fund balances - Beginning	<u>8,952,977</u>	<u>8,952,977</u>	<u>8,952,977</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 8,952,977</u></b>	<b><u>\$ 7,964,812</u></b>	<b><u>\$ 8,391,386</u></b>	<b><u>\$ 426,574</u></b>

**City of South Bend, Indiana**

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 (Continued)

EDIT

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes - County economic development income	\$ 10,433,361	\$ 10,433,361	\$ 10,433,361	\$ -
Fines	354,660	354,660	354,660	-
Other financing uses - Transfers In	-	735,241	735,241	-
Other	<u>210,000</u>	<u>430,847</u>	<u>413,998</u>	<u>(16,849)</u>
 Total revenue	 <u>10,998,021</u>	 <u>11,954,109</u>	 <u>11,937,260</u>	 <u>(16,849)</u>
Expenditures:				
General Government:				
Personnel services	-	-	-	-
Supplies	1,000	83	83	-
Other services and charges	4,389,525	4,788,905	4,402,319	386,586
Capital outlay	<u>-</u>	<u>102,700</u>	<u>60,317</u>	<u>42,383</u>
 Total expenditures	 <u>4,390,525</u>	 <u>4,891,688</u>	 <u>4,462,719</u>	 <u>428,969</u>
 Other financing uses - Transfers out	 <u>(6,607,496)</u>	 <u>(6,667,496)</u>	 <u>(6,667,496)</u>	 <u>-</u>
 Net change in fund balances	 -	 394,925	 807,045	 412,120
 Fund balances - Beginning	 <u>11,156,845</u>	 <u>11,156,845</u>	 <u>11,156,845</u>	 <u>-</u>
 Fund balances - Ending	 <u><b>\$ 11,156,845</b></u>	 <u><b>\$ 11,551,770</b></u>	 <u><b>\$ 11,963,890</b></u>	 <u><b>\$ 412,120</b></u>

**City of South Bend, Indiana**

**Required Supplementary Information**  
**Budgetary Comparison Schedule - Major Special Revenue Funds**  
**(Continued)**  
**Rainy Day**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Budgetary</u> <u>Basis</u> <u>Amounts</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue - Other	\$ 60,000	\$ 107,516	\$ 93,891	\$ (13,625)
Fund balances - Beginning	<u>10,186,253</u>	<u>10,186,253</u>	<u>10,186,253</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 10,246,253</b></u>	<u><b>\$ 10,293,769</b></u>	<u><b>\$ 10,280,144</b></u>	<u><b>\$ (13,625)</b></u>

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

- a. Revenue is 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 GAAP are as follows:

	General	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day
Net change in fund balances (budgetary basis)	\$ 600,264	\$ 1,478,624	\$ 46,931	\$ (561,591)	\$ 807,045	\$ 93,891
Adjustments:						
To adjust revenue for accruals	11,331,553	260,093	122	(125,417)	(147,478)	2,100
To adjust expenditures for accruals	(11,660,949)	(149,840)	6,745	(278,591)	244,991	-
To adjust expenditures for encumbrances	1,242,770	217,431	-	250,458	782,718	-
Net change in fund balances (GAAP basis)	<b>\$ 1,513,638</b>	<b>\$ 1,806,308</b>	<b>\$ 53,798</b>	<b>\$ (715,141)</b>	<b>\$ 1,687,276</b>	<b>\$ 95,991</b>

### Note 1 – Budgets and Budgetary Accounting

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

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

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, Local Road and Bridge 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, Industrial Revolving
  - Debt service fund - 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, Redevelopment Authority Debt Service, TIF Erskine Village Debt Service, Smart Streets Debt Service, Parks Bond Debt Service, Century Center Energy Conservation Debt Service, Eddy St. Commons Debt Service
  - Capital projects funds - Professional Sports Development, Coveleski Stadium Capital, Zoo Endowment, Park Nonreverting Capital, Cumulative Capital Development, Cumulative Capital Improvement, Morris Performing Arts Center Capital, TIF 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, Equipment Leasing, Century Center Energy Conservation Bond, Smart Streets Bond Capital Projects, Parks Bond Capital Projects, 2017 Parks Bond, Eddy St. Commons Capital
- 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 \$44,788,111 in 2017 for the funds listed above.
- I. 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 except for the South Bend Building Corporation and Parks Bond Capital. These are funds held with a Trustee which had not been formally budgeted in the past. In 2017, trustee fees were not budgeted in the South Bend Building Corporation fund but were deducted from the trustee account in December 2017. A new Parks bond was issued in December 2017 and the closing costs were not formally budgeted in the Parks Bond Fund, however, were all approved during the passing of the bond. Therefore, both funds were over the formal budget in 2017.

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## Other Supplemental Information

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**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 revenue from the county as well as state grants.

**Local Road and Street**

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

**Excess Welfare Distribution**

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

**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.

**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.

**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.

**Local Road and Bridge Matching Grant**

To account for Community Crossing state grants and matching revenues which provide financing for eligible projects.

**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.

**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

**TIF Erskine Village Debt Service**

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

**Smart Streets Debt Service**

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

**Parks Bonds Debt Service Fund**

To account for debt retirement of the 2015 Building Corporation/EDIT bond for park improvements. Funding is provided by transfers from other City funds.

**Century Center Energy Conservation Debt Service**

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

**Eddy St. Commons Debt Service**

To account for the Eddy Street Commons phase II project debt retirement. Financing is provided by bond proceeds set aside for debt service and by transfers from the Tax Incremental Financing (TIF) River East Development fund.

**Capital Project 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.

**Redevelopment General**

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

**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.

**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.

**2017 Parks Bond**

To account for capital expenditures in the City parks with funding provided by a 2017 Park District bond.

**Eddy St. Commons Capital**

To account for capital expenditures in connection with the Eddy Street Commons phase II project with funding provided by issuance of revenue bonds.

December 31, 2017

	Nonmajor 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
<b>Assets</b>									
Cash and cash equivalents	\$ 2,062,816	\$ 227,278	\$ 253,459	\$ 118,789	\$ 322,350	\$ 450,607	\$ 56,240	\$ 3,719	\$ 379,148
Investments	5,047,642	556,142	620,206	290,674	788,779	-	137,617	9,100	-
Receivables:									
Accounts	23,953	21,141	35,316	2,375	46,000	832	3,865	-	12,434
Interest	13,615	1,492	1,671	767	2,142	-	377	24	-
Intergovernmental	629,876	-	-	-	-	-	-	-	-
Loans	-	-	-	238,409	-	219,486	-	-	-
Due from other funds	-	1,288	-	-	-	-	-	-	-
Advances to other funds	-	-	300,000	-	-	-	-	-	-
Property held for resale	-	-	1	-	-	3,155,452	-	-	-
<b>Total assets</b>	<b>\$ 7,777,902</b>	<b>\$ 807,341</b>	<b>\$ 1,210,653</b>	<b>\$ 651,014</b>	<b>\$ 1,159,271</b>	<b>\$ 3,826,377</b>	<b>\$ 198,099</b>	<b>\$ 12,843</b>	<b>\$ 391,582</b>
<b>Liabilities</b>									
Accounts payable:									
Accounts payable	\$ 153,524	\$ 16,086	\$ 14,869	\$ -	\$ 25,200	\$ 322,812	\$ -	\$ -	\$ 7,698
Due to other funds	626	-	-	-	-	-	-	-	2,726
Advances from other funds	-	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-	3,500
Accrued liabilities and other	96,743	4,028	-	-	30,610	-	-	-	4,603
Other current payables	-	-	-	-	-	3,511	-	-	-
<b>Total liabilities</b>	<b>250,893</b>	<b>20,114</b>	<b>14,869</b>	<b>-</b>	<b>55,810</b>	<b>326,323</b>	<b>-</b>	<b>-</b>	<b>18,527</b>
<b>Fund Balances</b>									
Nonspendable	-	-	300,001	172,818	-	3,326,651	-	-	-
Restricted	7,527,009	787,227	895,783	478,196	-	173,403	198,099	-	-
Committed	-	-	-	-	-	-	-	12,843	373,055
Assigned	-	-	-	-	1,103,461	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>7,527,009</b>	<b>787,227</b>	<b>1,195,784</b>	<b>651,014</b>	<b>1,103,461</b>	<b>3,500,054</b>	<b>198,099</b>	<b>12,843</b>	<b>373,055</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,777,902</b>	<b>\$ 807,341</b>	<b>\$ 1,210,653</b>	<b>\$ 651,014</b>	<b>\$ 1,159,271</b>	<b>\$ 3,826,377</b>	<b>\$ 198,099</b>	<b>\$ 12,843</b>	<b>\$ 391,582</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Special Revenue Funds								
	Law Enforcement Continuing Education	Landlord Registration	Loss Recovery Fund	Emergency Telephone System	Local Road and Street	Excess Welfare Distribution	LOIT 2016 Special Distribution	Human Rights Federal	East Race Waterway
<b>Assets</b>									
Cash and cash equivalents	\$ 165,726	\$ 9,685	\$ 245,220	\$ -	\$ 966,129	\$ -	\$ 2,281,338	\$ 151,843	\$ -
Investments	405,526	-	600,046	-	2,364,087	-	-	419,348	-
Receivables:									
Accounts	24,388	-	-	-	-	-	-	69	-
Interest	1,086	-	1,611	-	6,310	-	706	857	-
Intergovernmental	-	-	-	-	195,387	-	-	10,000	-
Loans	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 596,726</b>	<b>\$ 9,685</b>	<b>\$ 846,877</b>	<b>\$ -</b>	<b>\$ 3,531,913</b>	<b>\$ -</b>	<b>\$ 2,282,044</b>	<b>\$ 582,117</b>	<b>\$ -</b>
<b>Liabilities</b>									
Accounts payable:									
Accounts payable	\$ 32,108	\$ -	\$ 134,208	\$ -	\$ 42,728	\$ -	\$ 146,851	\$ 1,175	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	-	-	-	2,292	-
Other current payables	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>32,108</b>	<b>-</b>	<b>134,208</b>	<b>-</b>	<b>42,728</b>	<b>-</b>	<b>146,851</b>	<b>3,467</b>	<b>-</b>
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	564,618	-	-	-	3,489,185	-	2,135,193	578,650	-
Committed	-	9,685	712,669	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>564,618</b>	<b>9,685</b>	<b>712,669</b>	<b>-</b>	<b>3,489,185</b>	<b>-</b>	<b>2,135,193</b>	<b>578,650</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 596,726</b>	<b>\$ 9,685</b>	<b>\$ 846,877</b>	<b>\$ -</b>	<b>\$ 3,531,913</b>	<b>\$ -</b>	<b>\$ 2,282,044</b>	<b>\$ 582,117</b>	<b>\$ -</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

Nonmajor 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	Federal Drug Enforcement
<b>Assets</b>									
Cash and cash equivalents	\$ 15,975	\$ 1,136	\$ 8,072	\$ 7,955	\$ 35,820	\$ 48,451	\$ 25,297	\$ 39,148	\$ 130,729
Investments	39,091	2,779	19,751	19,465	87,651	-	61,902	95,793	-
Receivables:									
Accounts	-	-	-	-	-	-	-	140	-
Interest	104	7	53	52	235	-	166	262	164
Intergovernmental	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 55,170</b>	<b>\$ 3,922</b>	<b>\$ 27,876</b>	<b>\$ 27,472</b>	<b>\$ 123,706</b>	<b>\$ 48,451</b>	<b>\$ 87,365</b>	<b>\$ 135,343</b>	<b>\$ 130,893</b>
<b>Liabilities</b>									
Accounts payable:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 389	\$ -	\$ 3,362	\$ 25,602	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	58	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447</b>	<b>-</b>	<b>3,362</b>	<b>25,602</b>	<b>-</b>
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	3,922	-	-	-	48,451	-	109,741	130,893
Committed	55,170	-	27,876	27,472	123,259	-	84,003	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>55,170</b>	<b>3,922</b>	<b>27,876</b>	<b>27,472</b>	<b>123,259</b>	<b>48,451</b>	<b>84,003</b>	<b>109,741</b>	<b>130,893</b>
<b>Total liabilities and fund balances</b>	<b>\$ 55,170</b>	<b>\$ 3,922</b>	<b>\$ 27,876</b>	<b>\$ 27,472</b>	<b>\$ 123,706</b>	<b>\$ 48,451</b>	<b>\$ 87,365</b>	<b>\$ 135,343</b>	<b>\$ 130,893</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Special Revenue Funds						Nonmajor Debt Service Funds		
	Gift	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Industrial Revolving Fund	Local Road and Bridge Grant	Total Special Revenue Funds	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable
<b>Assets</b>									
Cash and cash equivalents	\$ 29,180	\$ 136,485	\$ 237,750	\$ 836	\$ 2,917,106	\$ 992,943	\$ 12,321,230	\$ 24,218	\$ 300,902
Investments	71,402	333,974	581,767	2,045	-	-	12,554,787	-	736,297
Receivables:									
Accounts	60	-	37,444	-	-	-	208,017	-	-
Interest	192	897	1,559	5	-	-	34,354	-	1,977
Intergovernmental	-	-	-	-	-	-	835,263	-	-
Loans	-	543,909	-	-	3,858,798	-	4,860,602	-	-
Due from other funds	-	-	-	-	-	-	1,288	-	-
Advances to other funds	-	-	-	-	-	-	300,000	-	-
Property held for resale	-	-	-	-	76,300	-	3,231,753	-	-
<b>Total assets</b>	<b>\$ 100,834</b>	<b>\$ 1,015,265</b>	<b>\$ 858,520</b>	<b>\$ 2,886</b>	<b>\$ 6,852,204</b>	<b>\$ 992,943</b>	<b>\$ 34,347,294</b>	<b>\$ 24,218</b>	<b>\$ 1,039,176</b>
<b>Liabilities</b>									
Accounts payable:									
Accounts payable	\$ 3,461	\$ -	\$ -	\$ -	\$ -	\$ 55,493	\$ 985,566	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	3,352	-	317
Advances from other funds	-	1,225,456	-	-	-	-	1,225,456	-	-
Performance deposits payable	-	-	-	-	-	-	3,500	-	-
Accrued liabilities and other	-	-	-	-	-	-	138,334	-	-
Other current payables	-	-	-	-	-	-	3,511	-	-
<b>Total liabilities</b>	<b>3,461</b>	<b>1,225,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,493</b>	<b>2,359,719</b>	<b>-</b>	<b>317</b>
<b>Fund Balances</b>									
Nonspendable	-	416,655	-	-	3,086,163	-	7,302,288	-	-
Restricted	97,373	-	-	-	3,766,041	937,450	21,921,234	24,218	1,038,859
Committed	-	-	-	-	-	-	1,426,032	-	-
Assigned	-	-	858,520	2,886	-	-	1,964,867	-	-
Unassigned	-	(626,846)	-	-	-	-	(626,846)	-	-
<b>Total fund balances</b>	<b>97,373</b>	<b>(210,191)</b>	<b>858,520</b>	<b>2,886</b>	<b>6,852,204</b>	<b>937,450</b>	<b>31,987,575</b>	<b>24,218</b>	<b>1,038,859</b>
<b>Total liabilities and fund balances</b>	<b>\$ 100,834</b>	<b>\$ 1,015,265</b>	<b>\$ 858,520</b>	<b>\$ 2,886</b>	<b>\$ 6,852,204</b>	<b>\$ 992,943</b>	<b>\$ 34,347,294</b>	<b>\$ 24,218</b>	<b>\$ 1,039,176</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Debt Service Funds									
	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale	South Bend Building Corporation Debt Service	TIF Erksine Village Debt Service	Smart Streets Debt Service	Parks Bond Debt Service Fund	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	Eddy St. Commons Debt Service	Total Debt Service Funds
<b>Assets</b>										
Cash and cash equivalents	\$ 149,803	\$ 503,062	\$ 574,704	\$ -	\$ 1,718,645	\$ 557,768	\$ 58,882	\$ 522,232	\$ 2,501,480	\$ 6,911,696
Investments	366,562	1,230,976	-	-	-	-	-	-	-	2,333,835
Receivables:										
Accounts	-	-	-	-	-	31,723	-	-	-	31,723
Interest	984	3,305	-	-	-	-	-	-	-	6,266
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 517,349</b>	<b>\$ 1,737,343</b>	<b>\$ 574,704</b>	<b>\$ -</b>	<b>\$ 1,718,645</b>	<b>\$ 589,491</b>	<b>\$ 58,882</b>	<b>\$ 522,232</b>	<b>\$ 2,501,480</b>	<b>\$ 9,283,520</b>
<b>Liabilities</b>										
Accounts payable:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	531	-	-	-	-	-	-	-	848
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848</b>
<b>Fund Balances</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	517,349	1,736,812	574,704	-	1,718,645	589,491	58,882	522,232	2,501,480	9,282,672
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>517,349</b>	<b>1,736,812</b>	<b>574,704</b>	<b>-</b>	<b>1,718,645</b>	<b>589,491</b>	<b>58,882</b>	<b>522,232</b>	<b>2,501,480</b>	<b>9,282,672</b>
<b>Total liabilities and fund balances</b>	<b>\$ 517,349</b>	<b>\$ 1,737,343</b>	<b>\$ 574,704</b>	<b>\$ -</b>	<b>\$ 1,718,645</b>	<b>\$ 589,491</b>	<b>\$ 58,882</b>	<b>\$ 522,232</b>	<b>\$ 2,501,480</b>	<b>\$ 9,283,520</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

Nonmajor 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	
<b>Assets</b>										
Cash and cash equivalents	\$ 6,866	\$ 15,794	\$ -	\$ 87,580	\$ 179,887	\$ 124,630	\$ 120,369	\$ 64,938	\$ 659,359	
Investments	16,802	38,647	-	88,843	440,178	304,966	294,540	108,373	1,613,429	
Receivables:										
Accounts	-	-	-	-	-	-	-	9,694	-	
Interest	38	104	-	320	1,128	803	819	291	4,287	
Intergovernmental	-	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	
Advances to other funds	-	-	-	-	-	-	-	-	-	
Property held for resale	-	-	-	-	-	-	-	-	436,690	
<b>Total assets</b>	<b>\$ 23,706</b>	<b>\$ 54,545</b>	<b>\$ -</b>	<b>\$ 176,743</b>	<b>\$ 621,193</b>	<b>\$ 430,399</b>	<b>\$ 415,728</b>	<b>\$ 183,296</b>	<b>\$ 2,713,765</b>	
<b>Liabilities</b>										
Accounts payable:										
Accounts payable	\$ -	\$ -	\$ -	\$ 38,640	\$ -	\$ -	\$ -	\$ -	\$ 50,887	
Due to other funds	-	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	-	-	-	-	-	
Performance deposits payable	-	-	-	-	-	-	-	-	-	
Accrued liabilities and other	-	-	-	-	-	-	-	-	-	
Other current payables	-	-	-	-	-	-	-	4,196	-	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,196</b>	<b>50,887</b>	
<b>Fund Balances</b>										
Nonspendable	-	-	-	-	-	-	-	-	436,690	
Restricted	23,706	-	-	138,103	621,193	430,399	-	179,100	2,226,188	
Committed	-	54,545	-	-	-	-	415,728	-	-	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	
<b>Total fund balances</b>	<b>23,706</b>	<b>54,545</b>	<b>-</b>	<b>138,103</b>	<b>621,193</b>	<b>430,399</b>	<b>415,728</b>	<b>179,100</b>	<b>2,662,878</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 23,706</b>	<b>\$ 54,545</b>	<b>\$ -</b>	<b>\$ 176,743</b>	<b>\$ 621,193</b>	<b>\$ 430,399</b>	<b>\$ 415,728</b>	<b>\$ 183,296</b>	<b>\$ 2,713,765</b>	

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Capital Projects Funds								
	Redevelopment General	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
<b>Assets</b>									
Cash and cash equivalents	\$ 2,141	\$ 2,269,840	\$ -	\$ 129,650	\$ 841,827	\$ 2,542,270	\$ 58,161	\$ 1,010,068	\$ 177,572
Investments	5,239	5,554,224	-	317,249	2,059,922	6,220,850	142,317	2,471,604	434,514
Receivables:									
Accounts	-	-	-	-	-	3,548	-	-	-
Interest	14	14,659	-	853	5,531	16,437	342	5,571	1,167
Intergovernmental	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	3,189,032	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 7,394</b>	<b>\$ 7,838,723</b>	<b>\$ -</b>	<b>\$ 447,752</b>	<b>\$ 6,096,312</b>	<b>\$ 8,783,105</b>	<b>\$ 200,820</b>	<b>\$ 3,487,243</b>	<b>\$ 613,253</b>
<b>Liabilities</b>									
Accounts payable:									
Accounts payable	\$ -	\$ 15,409	\$ -	\$ -	\$ 42,936	\$ 493,576	\$ -	\$ -	\$ -
Due to other funds	-	-	-	749	-	-	-	-	-
Advances from other funds	-	-	-	447,003	-	-	-	3,157,841	-
Performance deposits payable	-	-	-	-	-	100,000	-	-	-
Accrued liabilities and other	-	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>15,409</b>	<b>-</b>	<b>447,752</b>	<b>42,936</b>	<b>593,576</b>	<b>-</b>	<b>3,157,841</b>	<b>-</b>
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	3,189,032	-	-	-	-
Restricted	-	7,823,314	-	-	2,864,344	8,189,529	200,820	329,402	613,253
Committed	-	-	-	-	-	-	-	-	-
Assigned	7,394	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>7,394</b>	<b>7,823,314</b>	<b>-</b>	<b>-</b>	<b>6,053,376</b>	<b>8,189,529</b>	<b>200,820</b>	<b>329,402</b>	<b>613,253</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,394</b>	<b>\$ 7,838,723</b>	<b>\$ -</b>	<b>\$ 447,752</b>	<b>\$ 6,096,312</b>	<b>\$ 8,783,105</b>	<b>\$ 200,820</b>	<b>\$ 3,487,243</b>	<b>\$ 613,253</b>

Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Capital Project Funds									Total Nonmajor Governmental Funds
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing	Century Center Energy Conservation Bond	Smart Streets Bond Capital Projects Funds	Parks Bond Capital Projects	2017 Parks Bond	Eddy St. Commons Capital	Total Capital Project Funds	
<b>Assets</b>										
Cash and cash equivalents	\$ 31,746	\$ 111,985	\$ 2,087,574	\$ -	\$ 1,040,156	\$ 3,271,224	\$ 13,888,958	\$ 16,129,314	\$ 44,851,909	\$ 64,084,835
Investments	77,681	274,024	42,792	-	-	-	-	-	20,506,194	35,394,816
Receivables:										
Accounts	-	-	-	-	-	-	-	-	13,242	252,982
Interest	208	736	135	-	-	-	-	-	53,443	94,063
Intergovernmental	-	-	-	-	-	-	-	-	-	835,263
Loans	-	-	-	-	-	-	-	-	-	4,860,602
Due from other funds	-	-	-	-	-	-	-	-	-	1,288
Advances to other funds	-	-	-	-	-	-	-	-	3,189,032	3,489,032
Property held for resale	-	-	-	-	-	-	-	-	436,690	3,668,443
<b>Total assets</b>	<b>\$ 109,635</b>	<b>\$ 386,745</b>	<b>\$ 2,130,501</b>	<b>\$ -</b>	<b>\$ 1,040,156</b>	<b>\$ 3,271,224</b>	<b>\$ 13,888,958</b>	<b>\$ 16,129,314</b>	<b>\$ 69,050,510</b>	<b>\$ 112,681,324</b>
<b>Liabilities</b>										
Accounts payable:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,644	\$ -	\$ 25,564	\$ 1,458,656	\$ 2,444,222
Due to other funds	-	-	-	-	-	-	-	-	749	4,949
Advances from other funds	-	-	-	-	-	-	-	-	3,604,844	4,830,300
Performance deposits payable	-	-	-	-	-	-	-	-	100,000	103,500
Accrued liabilities and other	-	-	-	-	-	-	-	-	-	138,334
Other current payables	-	-	-	-	-	-	-	-	4,196	7,707
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>791,644</b>	<b>-</b>	<b>25,564</b>	<b>5,168,445</b>	<b>7,529,012</b>
<b>Fund Balances</b>										
Nonspendable	-	-	-	-	-	-	-	-	3,625,722	10,928,010
Restricted	-	-	2,130,501	-	1,040,156	2,479,580	13,888,958	16,103,750	59,282,296	90,486,202
Committed	109,635	386,745	-	-	-	-	-	-	966,653	2,392,685
Assigned	-	-	-	-	-	-	-	-	7,394	1,972,261
Unassigned	-	-	-	-	-	-	-	-	-	(626,846)
<b>Total fund balances</b>	<b>109,635</b>	<b>386,745</b>	<b>2,130,501</b>	<b>-</b>	<b>1,040,156</b>	<b>2,479,580</b>	<b>13,888,958</b>	<b>16,103,750</b>	<b>63,882,065</b>	<b>105,152,312</b>
<b>Total liabilities and fund balances</b>	<b>\$ 109,635</b>	<b>\$ 386,745</b>	<b>\$ 2,130,501</b>	<b>\$ -</b>	<b>\$ 1,040,156</b>	<b>\$ 3,271,224</b>	<b>\$ 13,888,958</b>	<b>\$ 16,129,314</b>	<b>\$ 69,050,510</b>	<b>\$ 112,681,324</b>

Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds

Year Ended December 31, 2017

	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
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	6,060,971	-	290,389	58,358	298,477	2,365,730	-	-	115,663
Charges for services	208,367	871,092	-	-	242,507	-	-	-	80,386
Fines and forfeitures	-	-	-	-	-	-	-	160	-
Interest and rentals:									
Investment income	62,560	8,617	7,886	11,570	10,632	723	2,309	119	-
Rental income	-	-	-	-	-	7,387	-	-	-
Other revenue	28,699	53,814	-	-	1,684	411,096	12,413	-	21,834
<b>Total revenue</b>	<b>6,360,597</b>	<b>933,523</b>	<b>298,275</b>	<b>69,928</b>	<b>553,300</b>	<b>2,784,936</b>	<b>14,722</b>	<b>279</b>	<b>217,883</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	69,204	-	757,146
Public works	8,517,768	-	-	-	-	-	-	-	-
Community and economic development	-	-	320,360	-	2,306,145	2,433,845	-	-	-
Recreation and culture	-	977,520	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	677,082	-	-	63,660	-	-	-	-	-
Interest on long-term debt	35,541	-	-	8,350	-	-	-	-	-
<b>Total expenditures</b>	<b>9,230,391</b>	<b>977,520</b>	<b>320,360</b>	<b>72,010</b>	<b>2,306,145</b>	<b>2,433,845</b>	<b>69,204</b>	<b>-</b>	<b>757,146</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(2,869,794)</b>	<b>(43,997)</b>	<b>(22,085)</b>	<b>(2,082)</b>	<b>(1,752,845)</b>	<b>351,091</b>	<b>(54,482)</b>	<b>279</b>	<b>(539,263)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	3,964,974	-	-	-	1,522,673	-	-	-	579,757
Transfers out	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	33,373	-	-	-	-	-	24,840	-	-
<b>Total other financing sources (uses)</b>	<b>3,998,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,522,673</b>	<b>-</b>	<b>24,840</b>	<b>-</b>	<b>579,757</b>
<b>Net Change in Fund Balances</b>	<b>1,128,553</b>	<b>(43,997)</b>	<b>(22,085)</b>	<b>(2,082)</b>	<b>(230,172)</b>	<b>351,091</b>	<b>(29,642)</b>	<b>279</b>	<b>40,494</b>
<b>Fund Balances - Beginning of year</b>	<b>6,398,456</b>	<b>831,224</b>	<b>1,217,869</b>	<b>653,096</b>	<b>1,333,633</b>	<b>3,148,963</b>	<b>227,741</b>	<b>12,564</b>	<b>332,561</b>
<b>Fund Balances - End of year</b>	<b>\$ 7,527,009</b>	<b>\$ 787,227</b>	<b>\$ 1,195,784</b>	<b>\$ 651,014</b>	<b>\$ 1,103,461</b>	<b>\$ 3,500,054</b>	<b>\$ 198,099</b>	<b>\$ 12,843</b>	<b>\$ 373,055</b>

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

Year Ended December 31, 2017

	Special Revenue Funds								
	Law Enforcement Continuing Education	Landlord Registration	Loss Recovery Fund	Emergency Telephone System	Local Road and Street	Excess Welfare Distribution	LOIT 2016 Special Distribution	Human Rights Federal	East Race Waterway
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,628,013	-	-	125,250	-
Charges for services	128,369	6,870	-	-	-	-	-	-	-
Fines and forfeitures	118,341	-	-	-	-	-	-	-	-
Interest and rentals:									
Investment income	6,165	-	8,804	-	27,198	-	35,423	4,515	9
Rental income	-	-	-	-	-	-	-	-	-
Other revenue	23,126	-	-	-	8,722	-	414,272	16,362	-
<b>Total revenue</b>	<b>276,001</b>	<b>6,870</b>	<b>8,804</b>	<b>-</b>	<b>1,663,933</b>	<b>-</b>	<b>449,695</b>	<b>146,127</b>	<b>9</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	238,518	-	-	-	-	127,258	-
Public safety	515,506	15	26,416	33,671	-	8	-	-	-
Public works	-	-	-	-	900,020	-	1,316,846	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	1,357
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>515,506</b>	<b>15</b>	<b>264,934</b>	<b>33,671</b>	<b>900,020</b>	<b>8</b>	<b>1,316,846</b>	<b>127,258</b>	<b>1,357</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(239,505)</b>	<b>6,855</b>	<b>(256,130)</b>	<b>(33,671)</b>	<b>763,913</b>	<b>(8)</b>	<b>(867,151)</b>	<b>18,869</b>	<b>(1,348)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,000,000)	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(239,505)</b>	<b>6,855</b>	<b>(256,130)</b>	<b>(33,671)</b>	<b>763,913</b>	<b>(8)</b>	<b>(1,867,151)</b>	<b>18,869</b>	<b>(1,348)</b>
<b>Fund Balances - Beginning of year</b>	<b>804,123</b>	<b>2,830</b>	<b>968,799</b>	<b>33,671</b>	<b>2,725,272</b>	<b>8</b>	<b>4,002,344</b>	<b>559,781</b>	<b>1,348</b>
<b>Fund Balances - End of year</b>	<b>\$ 564,618</b>	<b>\$ 9,685</b>	<b>\$ 712,669</b>	<b>\$ -</b>	<b>\$ 3,489,185</b>	<b>\$ -</b>	<b>\$ 2,135,193</b>	<b>\$ 578,650</b>	<b>\$ -</b>

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

Year Ended December 31, 2017

	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	Federal Drug Enforcement
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional sports development taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6,435	75,600	-	19,075	18,344	50,000
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest and rentals:									
Investment income	433	36	261	224	1,360	-	794	1,630	2,063
Rental income	-	-	-	-	-	-	-	-	-
Other revenue	13,318	-	-	-	-	-	50	54,556	1,823
<b>Total revenue</b>	<b>13,751</b>	<b>36</b>	<b>261</b>	<b>6,659</b>	<b>76,960</b>	<b>-</b>	<b>19,919</b>	<b>74,530</b>	<b>53,886</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	5,964	94,460	25,381	11,836	189,159	149,200
Public works	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Recreation and culture	2,875	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,875</b>	<b>-</b>	<b>-</b>	<b>5,964</b>	<b>94,460</b>	<b>25,381</b>	<b>11,836</b>	<b>189,159</b>	<b>149,200</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>10,876</b>	<b>36</b>	<b>261</b>	<b>695</b>	<b>(17,500)</b>	<b>(25,381)</b>	<b>8,083</b>	<b>(114,629)</b>	<b>(95,314)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>10,876</b>	<b>36</b>	<b>261</b>	<b>695</b>	<b>(17,500)</b>	<b>(25,381)</b>	<b>8,083</b>	<b>(114,629)</b>	<b>(95,314)</b>
<b>Fund Balances - Beginning of year</b>	<b>44,294</b>	<b>3,886</b>	<b>27,615</b>	<b>26,777</b>	<b>140,759</b>	<b>73,832</b>	<b>75,920</b>	<b>224,370</b>	<b>226,207</b>
<b>Fund Balances - End of year</b>	<b>\$ 55,170</b>	<b>\$ 3,922</b>	<b>\$ 27,876</b>	<b>\$ 27,472</b>	<b>\$ 123,259</b>	<b>\$ 48,451</b>	<b>\$ 84,003</b>	<b>\$ 109,741</b>	<b>\$ 130,893</b>

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

Year Ended December 31, 2017

	Special Revenue Funds						Debt Service Funds		
	Gift	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Industrial Revolving Fund	Local Road and Bridge Grant	Total Special Revenue Funds	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 820,071	\$ -
Professional sports development taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	20,000	-	-	-	-	1,000,000	11,915,532	47,836	-
Charges for services	-	-	444,734	-	-	-	2,118,712	-	-
Fines and forfeitures	-	-	-	-	-	-	198,887	-	-
Interest and rentals:									
Investment income	1,276	4,960	8,273	28	151,924	-	359,792	286	9,747
Rental income	-	-	-	-	-	-	7,387	-	-
Other revenue	139,080	-	-	-	17,299	-	1,218,148	-	-
<b>Total revenue</b>	<b>160,356</b>	<b>4,960</b>	<b>453,007</b>	<b>28</b>	<b>169,223</b>	<b>1,000,000</b>	<b>15,818,458</b>	<b>868,193</b>	<b>9,747</b>
<b>Expenditures</b>									
Current services:									
General government	131,903	-	82,682	-	-	-	580,361	-	-
Public safety	-	-	-	-	-	-	1,877,966	-	-
Public works	-	-	-	-	-	1,062,550	11,797,184	-	-
Community and economic development	-	-	-	-	113,202	-	5,173,552	-	-
Recreation and culture	-	-	-	-	-	-	981,752	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	70,659	-	-	-	811,401	1,082,547	-
Interest on long-term debt	-	-	1,560	-	-	-	45,451	54,222	-
<b>Total expenditures</b>	<b>131,903</b>	<b>-</b>	<b>154,901</b>	<b>-</b>	<b>113,202</b>	<b>1,062,550</b>	<b>21,267,667</b>	<b>1,136,769</b>	<b>-</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>28,453</b>	<b>4,960</b>	<b>298,106</b>	<b>28</b>	<b>56,021</b>	<b>(62,550)</b>	<b>(5,449,209)</b>	<b>(268,576)</b>	<b>9,747</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	1,000,000	7,067,404	-	-
Transfers out	-	-	(350,000)	-	-	-	(1,350,000)	-	(9,707)
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	58,213	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>5,775,617</b>	<b>-</b>	<b>(9,707)</b>
<b>Net Change in Fund Balances</b>	<b>28,453</b>	<b>4,960</b>	<b>(51,894)</b>	<b>28</b>	<b>56,021</b>	<b>937,450</b>	<b>326,408</b>	<b>(268,576)</b>	<b>40</b>
<b>Fund Balances - Beginning of year</b>	<b>68,920</b>	<b>(215,151)</b>	<b>910,414</b>	<b>2,858</b>	<b>6,796,183</b>	<b>-</b>	<b>31,661,167</b>	<b>292,794</b>	<b>1,038,819</b>
<b>Fund Balances - End of year</b>	<b>\$ 97,373</b>	<b>\$ (210,191)</b>	<b>\$ 858,520</b>	<b>\$ 2,886</b>	<b>\$ 6,852,204</b>	<b>\$ 937,450</b>	<b>\$ 31,987,575</b>	<b>\$ 24,218</b>	<b>\$ 1,038,859</b>

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

Year Ended December 31, 2017

	Debt Service Funds									
	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale	South Bend Building Corporation Debt Service	TIF Erksine Village Debt Service	Smart Streets Debt Service	Parks Bond Debt Service Fund	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	Eddy St. Commons Debt Service	Total Debt Service Funds
<b>Revenue</b>										
Taxes:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 820,071
Professional sports development taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	47,836
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Interest and rentals:										
Investment income	4,830	16,299	3,020	114	3,095	1,472	110,959	3,871	1,480	155,173
Rental income	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	4,830	16,299	3,020	114	3,095	1,472	110,959	3,871	1,480	1,023,080
<b>Expenditures</b>										
Current services:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	-	1,744,275	3,800,000	460,000	215,000	46,606	2,605,000	-	9,953,428
Interest on long-term debt	-	-	413,927	161,668	789,569	175,482	144,691	1,261,168	-	3,000,727
Total expenditures	-	-	2,158,202	3,961,668	1,249,569	390,482	191,297	3,866,168	-	12,954,155
<b>Excess of Revenue Over (Under) Expenditures</b>	4,830	16,299	(2,155,182)	(3,961,554)	(1,246,474)	(389,010)	(80,338)	(3,862,297)	1,480	(11,931,075)
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	2,162,098	3,961,667	856,500	416,558	82,167	3,887,000	-	11,365,990
Transfers out	-	(15,185)	-	(561,230)	-	-	-	(735,240)	-	(1,321,362)
Issuance of debt	-	-	-	-	-	-	-	-	2,500,000	2,500,000
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(15,185)	2,162,098	3,400,437	856,500	416,558	82,167	3,151,760	2,500,000	12,544,628
<b>Net Change in Fund Balances</b>	4,830	1,114	6,916	(561,117)	(389,974)	27,548	1,829	(710,537)	2,501,480	613,553
<b>Fund Balances - Beginning of year</b>	512,519	1,735,698	567,788	561,117	2,108,619	561,943	57,053	1,232,769	-	8,669,119
<b>Fund Balances - End of year</b>	<u>\$ 517,349</u>	<u>\$ 1,736,812</u>	<u>\$ 574,704</u>	<u>\$ -</u>	<u>\$ 1,718,645</u>	<u>\$ 589,491</u>	<u>\$ 58,882</u>	<u>\$ 522,232</u>	<u>\$ 2,501,480</u>	<u>\$ 9,282,672</u>

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

Year Ended December 31, 2017

	Capital Project 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
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 436,823	\$ -	\$ -	\$ -	\$ 342,134
Professional sports development taxes	347,255	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	38,286	395,915	-	-	-
Charges for services	-	-	-	5,754	-	-	73,508	25,703	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest and rentals:									
Investment income	1,271	783	146	1,208	3,966	3,254	6,048	1,582	18,909
Rental income	-	-	-	-	-	25,000	-	85,819	-
Other revenue	43,416	41,814	-	79,000	-	-	-	3,791	-
<b>Total revenue</b>	<b>391,942</b>	<b>42,597</b>	<b>146</b>	<b>85,962</b>	<b>479,075</b>	<b>424,169</b>	<b>79,556</b>	<b>116,895</b>	<b>361,043</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Capital outlay	-	78,596	50,049	424,922	-	-	253,312	120,907	132,963
Debt service									
Principal	750,000	-	-	-	428,124	-	-	-	-
Interest on long-term debt	77,955	-	-	-	10,118	801	-	-	-
<b>Total expenditures</b>	<b>827,955</b>	<b>78,596</b>	<b>50,049</b>	<b>424,922</b>	<b>438,242</b>	<b>801</b>	<b>253,312</b>	<b>120,907</b>	<b>132,963</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(436,013)</b>	<b>(35,999)</b>	<b>(49,903)</b>	<b>(338,960)</b>	<b>40,833</b>	<b>423,368</b>	<b>(173,756)</b>	<b>(4,012)</b>	<b>228,080</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	185,000	-	-	-	-	-
Transfers out	-	-	-	-	-	(371,250)	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,000</b>	<b>-</b>	<b>(371,250)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(436,013)</b>	<b>(35,999)</b>	<b>(49,903)</b>	<b>(153,960)</b>	<b>40,833</b>	<b>52,118</b>	<b>(173,756)</b>	<b>(4,012)</b>	<b>228,080</b>
<b>Fund Balances - Beginning of year</b>	<b>459,719</b>	<b>90,544</b>	<b>49,903</b>	<b>292,063</b>	<b>580,360</b>	<b>378,281</b>	<b>589,484</b>	<b>183,112</b>	<b>2,434,798</b>
<b>Fund Balances - End of year</b>	<b>\$ 23,706</b>	<b>\$ 54,545</b>	<b>\$ -</b>	<b>\$ 138,103</b>	<b>\$ 621,193</b>	<b>\$ 430,399</b>	<b>\$ 415,728</b>	<b>\$ 179,100</b>	<b>\$ 2,662,878</b>

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

Year Ended December 31, 2017

	Capital Project Funds								
	Redevelopment General	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
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ 2,365,692	\$ -	\$ -	\$ -	\$ 2,522,257	\$ 379,255	\$ 4,262,917	\$ -
Professional sports development taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	252,625
Charges for services	-	-	-	-	-	2,450	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest and rentals:									
Investment income	73	54,976	8,022	4,471	176,111	71,501	546	-	9,986
Rental income	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	59,613	-	-	-
<b>Total revenue</b>	<b>73</b>	<b>2,420,668</b>	<b>8,022</b>	<b>4,471</b>	<b>176,111</b>	<b>2,655,821</b>	<b>379,801</b>	<b>4,262,917</b>	<b>262,611</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community and economic development	1,133	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	52,197	-	-	-	-	-
Capital outlay	-	389,222	-	-	554,641	2,364,480	-	6,273	1,800,000
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	12,718	138,673	-
<b>Total expenditures</b>	<b>1,133</b>	<b>389,222</b>	<b>-</b>	<b>52,197</b>	<b>554,641</b>	<b>2,364,480</b>	<b>12,718</b>	<b>144,946</b>	<b>1,800,000</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(1,060)</b>	<b>2,031,446</b>	<b>8,022</b>	<b>(47,726)</b>	<b>(378,530)</b>	<b>291,341</b>	<b>367,083</b>	<b>4,117,971</b>	<b>(1,537,389)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	1,466,348	-	47,726	-	-	-	-	-
Transfers out	-	-	(4,866,784)	-	-	-	-	(2,471,000)	-
Issuance of debt	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,466,348</b>	<b>(4,866,784)</b>	<b>47,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,471,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,060)</b>	<b>3,497,794</b>	<b>(4,858,762)</b>	<b>-</b>	<b>(378,530)</b>	<b>291,341</b>	<b>367,083</b>	<b>1,646,971</b>	<b>(1,537,389)</b>
<b>Fund Balances - Beginning of year</b>	<b>8,454</b>	<b>4,325,520</b>	<b>4,858,762</b>	<b>-</b>	<b>6,431,906</b>	<b>7,898,188</b>	<b>(166,263)</b>	<b>(1,317,569)</b>	<b>2,150,642</b>
<b>Fund Balances - End of year</b>	<b>\$ 7,394</b>	<b>\$ 7,823,314</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,053,376</b>	<b>\$ 8,189,529</b>	<b>\$ 200,820</b>	<b>\$ 329,402</b>	<b>\$ 613,253</b>

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

Year Ended December 31, 2017

	Capital Project Funds								Total Nonmajor Governmental Funds
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Leasing	Century Center Energy Conservation Bond	Smart Streets Bond Capital Projects Funds	Parks Bond Capital Projects	2017 Parks Bond	Eddy St. Commons Capital	
<b>Revenue</b>									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,309,078	\$ 11,129,149
Professional sports development taxes	-	-	-	-	-	-	-	347,255	347,255
Intergovernmental	-	-	-	-	-	-	-	686,826	12,650,194
Charges for services	-	-	-	-	-	-	-	107,415	2,226,127
Fines and forfeitures	-	-	-	-	-	-	-	-	198,887
Interest and rentals:									
Investment income	919	3,610	7,265	-	4,471	6,700	-	385,818	900,783
Rental income	-	-	-	-	-	-	-	110,819	118,206
Other revenue	16,423	-	-	-	63,579	-	-	307,636	1,525,784
<b>Total revenue</b>	<b>17,342</b>	<b>3,610</b>	<b>7,265</b>	<b>-</b>	<b>68,050</b>	<b>6,700</b>	<b>-</b>	<b>12,254,847</b>	<b>29,096,385</b>
<b>Expenditures</b>									
Current services:									
General government	-	-	-	-	-	-	-	-	580,361
Public safety	-	-	421,122	-	-	-	-	421,122	2,299,088
Public works	-	-	640,587	-	-	-	-	640,587	12,437,771
Community and economic development	-	-	-	-	-	-	-	1,133	5,174,685
Recreation and culture	627	-	388,249	-	-	-	-	441,073	1,422,825
Capital outlay	-	-	-	-	3,270,030	1,590,148	-	6,000,000	17,035,543
Debt service									
Principal	-	-	-	-	-	-	-	1,178,124	11,942,953
Interest on long-term debt	-	-	-	-	1,499	-	-	241,764	3,287,942
<b>Total expenditures</b>	<b>627</b>	<b>-</b>	<b>1,449,958</b>	<b>-</b>	<b>3,271,529</b>	<b>1,590,148</b>	<b>-</b>	<b>6,000,000</b>	<b>54,181,168</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>16,715</b>	<b>3,610</b>	<b>(1,442,693)</b>	<b>-</b>	<b>(3,203,479)</b>	<b>(1,583,448)</b>	<b>-</b>	<b>(6,000,000)</b>	<b>(25,084,783)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	-	-	-	1,699,074	20,132,468
Transfers out	-	-	-	-	-	-	-	(7,709,034)	(10,380,396)
Issuance of debt	-	-	1,632,000	-	-	-	14,075,000	22,500,000	38,207,000
Cost of issuance	-	-	-	-	-	-	(192,520)	(396,250)	(588,770)
Debt premium or discount	-	-	-	-	-	-	6,478	-	6,478
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	58,213
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,632,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,888,958</b>	<b>22,103,750</b>	<b>49,934,993</b>
<b>Net Change in Fund Balances</b>	<b>16,715</b>	<b>3,610</b>	<b>189,307</b>	<b>-</b>	<b>(3,203,479)</b>	<b>(1,583,448)</b>	<b>13,888,958</b>	<b>16,103,750</b>	<b>24,850,210</b>
<b>Fund Balances - Beginning of year</b>	<b>92,920</b>	<b>383,135</b>	<b>1,941,194</b>	<b>-</b>	<b>4,243,635</b>	<b>4,063,028</b>	<b>-</b>	<b>39,971,816</b>	<b>80,302,102</b>
<b>Fund Balances - End of year</b>	<b>\$ 109,635</b>	<b>\$ 386,745</b>	<b>\$ 2,130,501</b>	<b>\$ -</b>	<b>\$ 1,040,156</b>	<b>\$ 2,479,580</b>	<b>\$ 13,888,958</b>	<b>\$ 16,103,750</b>	<b>\$ 63,882,065</b>
									<b>\$ 105,152,312</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Major Governmental Funds**  
**Capital Projects Funds - River West TIF**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Property taxes	\$ 17,808,613	\$ 17,808,613	\$ 17,259,902	\$ (548,711)
Other	825,682	2,114,662	2,067,428	(47,234)
Total revenue	18,634,295	19,923,275	19,327,330	(595,945)
Expenditures:				
Current:				
Economic Development:				
Other services and charges	8,372,352	12,943,303	12,443,803	499,500
Capital outlay	21,627,648	26,675,584	24,773,153	1,902,431
Total expenditures	30,000,000	39,618,887	37,216,956	2,401,931
Other financing sources - Transfers in	29,000	29,000	24,043	(4,957)
Net change in fund balances	(11,336,705)	(19,666,612)	(17,865,583)	1,801,029
Fund balances - Beginning	32,516,123	32,516,123	32,516,123	-
Fund balances - Ending	<b>\$ 21,179,418</b>	<b>\$ 12,849,511</b>	<b>\$ 14,650,540</b>	<b>\$ 1,801,029</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (17,865,583)	
To adjust revenues for accruals			359,826	
To adjust expenditures for accruals			(5,152,533)	
To adjust expenditures for encumbrances			18,856,178	
Net change in fund balance, GAAP basis			<b>\$ (3,802,112)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**Special Revenue Funds - Motor Vehicle Highway**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 5,650,000	\$ 5,880,999	\$ 6,040,898	\$ 159,899
Charges for services	223,365	227,329	227,329	-
Other	95,771	196,555	123,109	(73,446)
Total revenue	5,969,136	6,304,883	6,391,336	86,453
Expenditures:				
Current:				
Highways and streets:				
Personnel services	4,585,702	4,585,702	3,811,471	774,231
Supplies	2,211,548	2,616,557	1,932,937	683,620
Other services and charges	3,926,884	4,520,472	3,936,411	584,061
Capital outlay	20,000	42,800	42,793	7
Total expenditures	10,744,134	11,765,531	9,723,613	2,041,918
Other financing sources - Transfers in	3,964,974	3,964,974	3,964,974	-
Net change in fund balances	(810,024)	(1,495,674)	632,697	2,128,371
Fund balances - Beginning	6,134,408	6,134,408	6,134,408	-
Fund balances - Ending	<b>\$ 5,324,384</b>	<b>\$ 4,638,734</b>	<b>\$ 6,767,106</b>	<b>\$ 2,128,371</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 632,697	
To adjust revenues for accruals			2,635	
To adjust expenditures for accruals			139,458	
To adjust expenditures for encumbrances			353,763	
Net change in fund balance, GAAP basis			<b>\$ 1,128,553</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Recreation Nonreverting**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Charges for services	\$ 1,365,787	\$ 1,081,212	\$ 886,152	\$ (195,060)
Other	16,000	76,556	63,744	(12,812)
<b>Total revenue</b>	<u>1,381,787</u>	<u>1,157,768</u>	<u>949,896</u>	<u>(207,872)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Culture and recreation:</b>				
Personnel services	571,393	556,393	347,780	208,613
Supplies	321,638	318,589	159,833	158,756
Other services and charges	578,576	609,701	421,958	187,743
Capital outlay	115,000	115,000	56,050	58,950
<b>Total expenditures</b>	<u>1,586,607</u>	<u>1,599,683</u>	<u>985,621</u>	<u>614,062</u>
Other financing sources (uses) - Transfers out	-	-	-	-
<b>Net change in fund balances</b>	(204,820)	(441,915)	(35,725)	406,190
Fund balances - Beginning	810,264	810,264	810,264	-
<b>Fund balances - Ending</b>	<u><b>\$ 605,444</b></u>	<u><b>\$ 368,349</b></u>	<u><b>\$ 774,539</b></u>	<u><b>\$ 406,190</b></u>
<b>Budget/GAAP Reconciliation</b>				
Net change in fund balance, budget basis			\$ (35,725)	
To adjust revenues for accruals			(16,371)	
To adjust expenditures for accruals			(11,304)	
To adjust expenditures for encumbrances			19,403	
<b>Net change in fund balance, GAAP basis</b>			<u><b>\$ (43,997)</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Studebaker Oliver Revitalization Grants**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 104,000	\$ 427,441	\$ 362,772	\$ (64,669)
Expenditures:				
Current:				
Economic Development:				
Other Services and Charges	100,000	539,393	443,893	95,500
Capital Outlay	-	-	-	-
Total expenditures	100,000	539,393	443,893	95,500
Net change in fund balances	4,000	(111,952)	(81,121)	30,831
Fund balances - Beginning	855,243	855,243	855,243	-
Fund balances - Ending	<b>\$ 859,243</b>	<b>\$ 743,291</b>	<b>\$ 774,122</b>	<b>\$ 30,831</b>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (81,121)	
To adjust revenues for accruals			(64,498)	
To adjust expenditures for accruals			22,436	
To adjust expenditures for encumbrances			101,098	
Net change in fund balance, GAAP basis			<b>\$ (22,085)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Economic Development State Grants**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 73,512	\$ 262,837	\$ 131,133	\$ (131,704)
Expenditures:				
Current:				
Economic Development:				
Other services and charges	72,012	257,132	257,130	2
Capital Outlay	-	<u>252,625</u>	-	<u>252,625</u>
Total expenditures	<u>72,012</u>	<u>509,757</u>	<u>257,130</u>	<u>252,627</u>
Net change in fund balances	1,500	(246,920)	(125,997)	120,923
Fund balances - Beginning	<u>351,060</u>	<u>351,060</u>	<u>351,060</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 352,560</b></u>	<u><b>\$ 104,140</b></u>	<u><b>\$ 225,062</b></u>	<u><b>\$ 120,923</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (125,997)	
To adjust revenues for accruals			(61,205)	
To adjust expenditures for accruals			0	
To adjust expenditures for encumbrances			<u>185,120</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (2,082)</b></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)

Special Revenue Funds - DCI Operating  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 440,636	\$ 440,636	\$ 298,477	\$ (142,159)
Other	328,000	331,215	214,653	(116,562)
Total revenue	<u>768,636</u>	<u>771,851</u>	<u>513,130</u>	<u>(258,721)</u>
Expenditures:				
Current:				
Economic Development:				
Personnel services	1,948,112	1,876,469	1,697,620	178,849
Supplies	24,692	26,356	13,404	12,952
Other services and charges	623,130	872,551	815,743	56,808
Capital Outlay	-	-	-	-
Other uses	-	-	-	-
Total expenditures	<u>2,595,934</u>	<u>2,775,376</u>	<u>2,526,767</u>	<u>248,609</u>
Other financing sources - Transfers in	<u>1,522,673</u>	<u>1,522,673</u>	<u>1,522,673</u>	<u>-</u>
Net change in fund balances	(304,625)	(480,852)	(490,964)	(10,112)
Fund balances - Beginning	<u>1,362,801</u>	<u>1,362,801</u>	<u>1,362,801</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 1,058,176</b></u>	<u><b>\$ 881,949</b></u>	<u><b>\$ 871,837</b></u>	<u><b>\$ (10,112)</b></u>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ (490,964)
To adjust revenues for accruals	40,171
To adjust expenditures for accruals	(20,700)
To adjust expenditures for encumbrances	<u>241,321</u>
Net change in fund balance, GAAP basis	<u><b>\$ (230,172)</b></u>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Community Investment**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental	\$ 3,054,000	\$ 5,356,228	\$ 2,365,730	\$ (2,990,498)
Other	<u>200,000</u>	<u>453,105</u>	<u>429,228</u>	<u>(23,877)</u>
Total revenue	<u>3,254,000</u>	<u>5,809,333</u>	<u>2,794,958</u>	<u>(3,014,375)</u>
Expenditures:				
Current:				
Economic development:				
Other services and charges	<u>3,254,000</u>	<u>5,580,838</u>	<u>5,549,115</u>	<u>31,723</u>
Other financing sources (uses) - Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	228,495	(2,754,157)	(2,982,652)
Fund balances - Beginning	<u>241,313</u>	<u>241,313</u>	<u>241,313</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 241,313</b></u>	<u><b>\$ 469,808</b></u>	<u><b>\$ (2,512,844)</b></u>	<u><b>\$ (2,982,652)</b></u>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (2,754,157)	
To adjust revenues for accruals			(10,021)	
To adjust expenditures for accruals			151,671	
To adjust expenditures for encumbrances			<u>2,963,598</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 351,091</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Police State Seizure**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 36,000	\$ 62,326	\$ 45,767	\$ (16,559)
Expenditures:				
Current:				
Public Safety:				
Other services and charges	36,000	136,000	5,868	130,132
Capital outlay	-	80,000	63,338	16,662
Total expenditures	36,000	216,000	69,206	146,794
Net change in fund balances	-	(153,674)	(23,439)	130,235
Fund balances - Beginning	217,646	217,646	217,646	-
Fund balances - Ending	<b>\$ 217,646</b>	<b>\$ 63,972</b>	<b>\$ 194,207</b>	<b>\$ 130,235</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (23,439)	
To adjust revenues for accruals			(6,203)	
Net change in fund balance, GAAP basis			<b>\$ (29,642)</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Juvenile Positive Assistance  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
	Original	Final		
Revenue:				
Fines and fees	\$ 900	\$ 900	\$ 160	\$ (740)
Other	100	134	116	(18)
Total revenue	<u>1,000</u>	<u>1,034</u>	<u>276</u>	<u>(758)</u>
Expenditures:				
Current:				
Public safety:				
Other services and charges	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balances	-	34	276	242
Fund balances - Beginning	<u>12,566</u>	<u>12,566</u>	<u>12,566</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 12,566</b></u>	<u><b>\$ 12,600</b></u>	<u><b>\$ 12,842</b></u>	<u><b>\$ 242</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 276	
To adjust revenues for accruals			<u>3</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 279</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Special Revenue Funds - Unsafe Building**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenue:				
Charges for services	\$ 214,000	\$ 255,293	\$ 146,194	\$ (109,099)
Fines and forfeits	-	71,880	69,541	(2,339)
	214,000	327,173	215,735	(111,438)
 Expenditures:				
Current:				
Culture and recreation:				
Personnel services	273,536	273,536	273,514	22
Supplies	24,959	24,959	17,046	7,913
Other services and charges	596,262	606,984	562,159	44,825
	894,757	905,479	852,719	52,760
 Other financing sources - Transfers In	579,757	579,757	579,757	-
 Net change in fund balances	(101,000)	1,451	(57,227)	(58,678)
 Fund balances - Beginning	371,735	371,735	371,735	-
 Fund balances - Ending	<b>\$ 270,735</b>	<b>\$ 373,186</b>	<b>\$ 314,507</b>	<b>\$ (58,678)</b>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ (57,227)
To adjust revenues for accruals	2,150
To adjust expenditures for accruals	31,931
To adjust expenditures for encumbrances	63,640
 Net change in fund balance, GAAP basis	<b>\$ 40,494</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Law Enforcement Continuing Education**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	120,000	132,205	124,345	(7,860)
Fines and fees	86,000	125,166	121,171	(3,995)
Other	15,500	37,515	32,660	(4,855)
Total revenue	<u>221,500</u>	<u>294,886</u>	<u>278,176</u>	<u>(16,710)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	275,500	318,332	184,249	134,083
Other services and charges	458,000	470,090	370,198	99,892
Capital outlay	-	-	-	-
Total expenditures	<u>733,500</u>	<u>788,422</u>	<u>554,446</u>	<u>233,976</u>
Net change in fund balances	(512,000)	(493,536)	(276,270)	217,266
Fund balances - Beginning	<u>837,762</u>	<u>837,762</u>	<u>837,762</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 325,762</b></u>	<u><b>\$ 344,226</b></u>	<u><b>\$ 561,491</b></u>	<u><b>\$ 217,266</b></u>

**Budget/GAAP Reconciliation**

Net change in fund balance, budget basis	\$ (276,270)
To adjust revenues for accruals	(2,177)
To adjust expenditures for accruals	(17,182)
To adjust expenditures for encumbrances	<u>56,124</u>
Net change in fund balance, GAAP basis	<u><b>\$ (239,505)</b></u>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Special Revenue Funds - Landlord Registration**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis Amounts	With Final Budget Positive (Negative)
Revenue:				
Charges for services	\$ 1,000	\$ 7,480	\$ 8,475	\$ 995
Fines and forfeits	-	-	-	-
<b>Total revenue</b>	<b>1,000</b>	<b>7,480</b>	<b>8,475</b>	<b>995</b>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	1,000	1,000	15	985
<b>Total expenditures</b>	<b>1,000</b>	<b>1,000</b>	<b>15</b>	<b>985</b>
Other financing sources - Transfers In	-	-	-	-
Net change in fund balances	-	6,480	8,460	1,980
Fund balances - Beginning	1,225	1,225	1,225	-
<b>Fund balances - Ending</b>	<b>\$ 1,225</b>	<b>\$ 7,705</b>	<b>\$ 9,685</b>	<b>\$ 1,980</b>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ 8,460
To adjust revenues for accruals	(1,605)
To adjust expenditures for accruals	-
To adjust expenditures for encumbrances	-
<b>Net change in fund balance, GAAP basis</b>	<b>\$ 6,855</b>

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Loss Recovery  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 1,000	\$ 9,766	\$ 8,645	\$ (1,121)
Expenditures:				
Current:				
General government:				
Supplies	-	-	-	-
Other services and charges	500,000	550,333	349,573	200,760
Capital outlay	-	48,342	48,342	-
	500,000	598,675	397,915	200,760
Total expenditures	500,000	598,675	397,915	200,760
Net change in fund balances	(499,000)	(588,909)	(389,270)	199,639
Fund balances - Beginning	970,744	970,744	970,744	-
Fund balances - Ending	<b>\$ 471,744</b>	<b>\$ 381,835</b>	<b>\$ 581,474</b>	<b>\$ 199,639</b>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ (389,270)
To adjust revenues for accruals	159
To adjust expenditures for accruals	(132,342)
To adjust expenditures for encumbrances	265,323
Net change in fund balance, GAAP basis	<b>\$ (256,130)</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Emergency Telephone System**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Other services and charges	-	33,671	33,671	-
Net change in fund balances	-	(33,671)	(33,671)	-
Fund balances - Beginning	33,671	33,671	33,671	-
Fund balances - Ending	<b>\$ 33,671</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ -</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (33,671)	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<b>\$ (33,671)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Local Road and Street**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 1,324,000	\$ 1,590,565	\$ 1,537,294	\$ (53,271)
Other	<u>20,000</u>	<u>369,996</u>	<u>35,508</u>	<u>(334,488)</u>
Total revenue	<u>1,344,000</u>	<u>1,960,561</u>	<u>1,572,802</u>	<u>(387,759)</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	450,000	500,378	455,670	44,708
Other services and charges	720,000	794,905	711,313	83,592
Capital outlay	<u>320,000</u>	<u>1,013,261</u>	<u>938,815</u>	<u>74,446</u>
Total expenditures	<u>1,490,000</u>	<u>2,308,544</u>	<u>2,105,797</u>	<u>202,747</u>
Net change in fund balances	(146,000)	(347,983)	(532,995)	(185,012)
Fund balances - Beginning	<u>2,830,556</u>	<u>2,830,556</u>	<u>2,830,556</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 2,684,556</b></u>	<u><b>\$ 2,482,573</b></u>	<u><b>\$ 2,297,561</b></u>	<u><b>\$ (185,012)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (532,995)	
To adjust revenues for accruals			91,131	
To adjust expenditures for accruals			167,271	
To adjust expenditures for encumbrances			<u>1,038,507</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 763,914</b></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)

Special Revenue Funds - Excess Welfare Distribution

**Year Ended December 31, 2017**

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

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Special Revenue Funds - LOIT 2016 Special Distribution**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 1,278,000	\$ 1,278,000	\$ -	\$ (1,278,000)
Other	40,000	401,189	448,989	47,800
Total revenue	1,318,000	1,679,189	448,989	(1,230,200)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	-	852,100	833,520	18,580
Capital outlay	2,130,000	1,905,357	1,522,546	382,811
Other Uses	-	-	-	-
Total expenditures	2,130,000	2,757,457	2,356,066	401390.54
Other financing sources - Transfers Out	-	(1,000,000)	(1,000,000)	-
Net change in fund balances	(812,000)	(2,078,268)	(2,907,077)	(828,809)
Fund balances - Beginning	4,025,066	4,025,066	4,025,066	-
Fund balances - Ending	<b>\$ 3,213,066</b>	<b>\$ 1,946,798</b>	<b>\$ 1,117,989</b>	<b>\$ (828,809)</b>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ (2,907,077)
To adjust revenues for accruals	706
To adjust expenditures for accruals	(124,129)
To adjust expenditures for encumbrances	1,163,349
Net change in fund balance, GAAP basis	<b>\$ (1,867,151)</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Human Rights Federal**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 145,000	\$ 236,200	\$ 206,450	\$ (29,750)
Other	<u>20,040</u>	<u>22,913</u>	<u>20,779</u>	<u>(2,134)</u>
Total revenue	<u>165,040</u>	<u>259,113</u>	<u>227,229</u>	<u>(31,884)</u>
Expenditures:				
Current:				
General government:				
Personnel services	126,096	126,096	77,478	48,618
Supplies	2,000	7,630	7,054	576
Other services and charges	<u>67,300</u>	<u>68,047</u>	<u>51,105</u>	<u>16,942</u>
Total expenditures	<u>195,396</u>	<u>201,773</u>	<u>135,636</u>	<u>66,137</u>
Net change in fund balances	(30,356)	57,340	91,593	34,253
Fund balances - Beginning	<u>480,139</u>	<u>480,139</u>	<u>480,139</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 449,783</b></u>	<u><b>\$ 537,479</b></u>	<u><b>\$ 571,731</b></u>	<u><b>\$ 34,253</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 91,593	
To adjust revenues for accruals			(81,101)	
To adjust expenditures for accruals			8,056	
To adjust expenditures for encumbrances			<u>321</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 18,869</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Local Road and Bridge Grant**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	<u>-</u>	<u>2,000,000</u>	<u>1,444,689</u>	<u>555,311</u>
Other financing sources - Transfers In	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	-	-	555,311	555,311
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 555,311</b></u>	<u><b>\$ 555,311</b></u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 555,311	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			(55,493)	
To adjust expenditures for encumbrances			<u>437,632</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 937,450</b></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - East Race Waterway  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 22	\$ 9	\$ (13)
Expenditures:				
Current:				
Culture and recreation:				
Supplies	1,367	1,367	1,356	11
Total expenditures	1,367	1,367	1,356	11
Net change in fund balances	(1,367)	(1,345)	(1,347)	(2)
Fund balances - Beginning	1,347	1,347	1,347	-
Fund balances - Ending	\$ (20)	\$ 2	\$ 1	\$ (2)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,347)	
To adjust revenues for accruals			(1)	
Net change in fund balance, GAAP basis			\$ (1,348)	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Morris and Palais Marketing  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 18,300	\$ 18,495	\$ 13,739	\$ (4,756)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	18,000	21,675	5,673	16,002
Net change in fund balances	300	(3,180)	8,066	11,246
Fund balances - Beginning	47,096	47,096	47,096	-
Fund balances - Ending	<b>\$ 47,396</b>	<b>\$ 43,916</b>	<b>\$ 55,162</b>	<b>\$ 11,246</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,066	
To adjust revenue for accruals			12	
To adjust expenditures for accruals			2,798	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<b>\$ 10,876</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Police Block Grants  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 50	\$ 36	\$ (14)
Net change in fund balances	-	50	36	(14)
Fund balances - Beginning	3,886	3,886	3,886	-
Fund balances - Ending	<b>\$ 3,886</b>	<b>\$ 3,936</b>	<b>\$ 3,922</b>	<b>\$ (14)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 36	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<b>\$ 36</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Economic Development Commission**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 200	\$ 300	\$ 255	\$ (45)
Fund balances - Beginning	<u>27,617</u>	<u>27,617</u>	<u>27,617</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 27,817</b></u>	<u><b>\$ 27,917</b></u>	<u><b>\$ 27,872</b></u>	<u><b>\$ (45)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 255	
To adjust revenues for accruals			<u>6</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 261</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Hazmat**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 10,000	\$ 10,000	\$ 6,435	\$ (3,565)
Other	-	255	218	(37)
Total revenue	10,000	10,255	6,653	(3,602)
Expenditures:				
Current:				
Public safety:				
Supplies	10,000	10,431	5,964	4,467
Net change in fund balances	-	(176)	689	865
Fund balances - Beginning	26,779	26,779	26,779	-
Fund balances - Ending	<b><u>\$ 26,779</u></b>	<b><u>\$ 26,603</u></b>	<b><u>\$ 27,468</u></b>	<b><u>\$ 865</u></b>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 689	
To adjust revenues for accruals			6	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<b><u>\$ 695</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Indiana River Rescue**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 45,000	\$ 73,200	\$ 75,600	\$ 2,400
Intergovernmental	-	-	-	-
Other	500	1,600	1,339	(261)
	<u>45,500</u>	<u>74,800</u>	<u>76,939</u>	<u>2,139</u>
Total revenue				
Expenditures:				
Current:				
Public safety:				
Personnel services	15,500	15,500	3,777	11,723
Supplies	7,800	16,849	16,299	550
Other services and charges	65,000	85,000	75,215	9,785
Capital outlay	-	-	-	-
	<u>88,300</u>	<u>117,349</u>	<u>95,291</u>	<u>22,058</u>
Total expenditures				
Net change in fund balances	(42,800)	(42,549)	(18,352)	24,197
Fund balances - Beginning	142,047	142,047	142,047	-
Fund balances - Ending	<u>\$ 99,247</u>	<u>\$ 99,498</u>	<u>\$ 123,695</u>	<u>\$ 24,197</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (18,352)	
To adjust revenues for accruals			21	
To adjust expenditures for accruals			831	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (17,500)</u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - COPS Block Grant II  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety:				
Supplies	-	-	-	-
Other services and charges	-	35,805	28,178	7,627
Capital outlay	-	-	-	-
Total expenditures	-	35,805	28,178	7,627
Net change in fund balances	-	(35,805)	(28,178)	7,627
Fund balances - Beginning	76,628	76,628	76,628	-
Fund balances - Ending	<b>\$ 76,628</b>	<b>\$ 40,823</b>	<b>\$ 48,451</b>	<b>\$ 7,627</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (28,178)	
To adjust expenditures for accruals			2,797	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<b>\$ (25,381)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Special Revenue Funds - Regional Police Academy**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 20,000	\$ 20,000	\$ 19,075	\$ (925)
Other	2,500	2,980	825	(2,155)
Total revenue	22,500	22,980	19,900	(3,080)
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	765	735
Other services and charges	21,000	21,000	7,871	13,129
Total expenditures	22,500	22,500	8,637	13,863
Net change in fund balances	-	480	11,263	10,783
Fund balances - Beginning	76,089	76,089	76,089	-
Fund balances - Ending	<b>\$ 76,089</b>	<b>\$ 76,569</b>	<b>\$ 87,352</b>	<b>\$ 10,783</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 11,263	
To adjust revenues for accruals			20	
To adjust expenditures for accruals			(3,199)	
Net change in fund balance, GAAP basis			<b>\$ 8,084</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - COPS MORE Grant**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 53,750	\$ 72,094	\$ 18,344	\$ (53,750)
Other	38,250	69,750	56,222	(13,528)
Total revenue	92,000	141,844	74,566	(67,278)
Expenditures:				
Current:				
Public safety:				
Supplies	47,000	110,467	63,860	46,607
Other services and charges	45,000	153,300	133,759	19,541
Capital outlay	-	-	-	-
Total expenditures	92,000	263,767	197,619	66,148
Other Financing (uses)				
Transfers in	-	-	-	-
Net change in fund balances	-	(121,923)	(123,053)	(1,130)
Fund balances - Beginning	237,468	237,468	237,468	-
Fund balances - Ending	<b>\$ 237,468</b>	<b>\$ 115,545</b>	<b>\$ 114,415</b>	<b>\$ (1,130)</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (123,053)	
To adjust revenues for accruals			(35)	
To adjust expenditures for accruals			(12,326)	
To adjust expenditures for encumbrances			20,785	
Net change in fund balance, GAAP basis			<b>\$ (114,629)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Federal Drug Enforcement**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ 50,000	\$ 50,000	\$ -
Other	32,000	32,048	3,871	(28,177)
Total revenue	<u>32,000</u>	<u>82,048</u>	<u>53,871</u>	<u>(28,177)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	55,000	89,337	34,337	55,000
Other services and charges	62,000	62,000	16,372	45,628
Capital outlay	45,000	135,000	98,491	36,509
Total expenditures	<u>162,000</u>	<u>286,337</u>	<u>149,200</u>	<u>137,137</u>
Net change in fund balances	(130,000)	(204,289)	(95,329)	108,960
Fund balances - Beginning	<u>226,058</u>	<u>226,058</u>	<u>226,058</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 96,058</b></u>	<u><b>\$ 21,769</b></u>	<u><b>\$ 130,729</b></u>	<u><b>\$ 108,960</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (95,329)	
To adjust revenues for accruals			15	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u><b>\$ (95,314)</b></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Gift  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 18,800	\$ 214,383	\$ 185,312	\$ (29,071)
Expenditures:				
Supplies	8,700	8,700	-	8,700
Other services and charges	30,000	233,000	205,004	27,996
Capital outlay	-	-	-	-
Total expenditures	38,700	241,700	205,004	36,696
Net change in fund balances	(19,900)	(27,317)	(19,692)	7,625
Fund balances - Beginning	116,796	116,796	116,796	-
Fund balances - Ending	<b>\$ 96,896</b>	<b>\$ 89,479</b>	<b>\$ 97,103</b>	<b>\$ 7,625</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (19,692)	
To adjust revenues for accruals			(24,955)	
To adjust expenditures for accruals			69,439	
To adjust expenditures for encumbrances			3,661	
Net change in fund balance, GAAP basis			<b>\$ 28,453</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Urban Development Action Grant**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 6,110	\$ 6,110	\$ 4,876	\$ (1,234)
Expenditures:				
Current:				
Economic Development				
Other services and charges	126,144	126,144	126,142	2
Net change in fund balances	(120,034)	(120,034)	(121,266)	(1,232)
Fund balances - Beginning	592,586	592,586	592,586	-
Fund balances - Ending	<b>\$ 472,552</b>	<b>\$ 472,552</b>	<b>\$ 471,320</b>	<b>\$ (1,232)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (121,266)	
To adjust revenues for accruals			84	
To adjust expenditures for accruals			126,142	
Net change in fund balance, GAAP basis			<b>\$ 4,960</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Special Revenue Funds - Leaf Collection and Removal**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 440,153	\$ 444,693	\$ 444,734	\$ 41
Other	4,403	9,188	8,114	(1,074)
Total revenue	<u>444,556</u>	<u>453,881</u>	<u>452,848</u>	<u>(1,033)</u>
Expenditures:				
Current:				
General government:				
Personnel services	49,851	61,606	30,355	31,251
Supplies	4,344	4,344	3,092	1,252
Other services and charges	121,221	121,221	121,454	(233)
Other uses	-	-	-	-
Total expenditures	<u>175,416</u>	<u>187,171</u>	<u>154,901</u>	<u>32,270</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	(80,860)	(83,290)	(52,053)	31,237
Fund balances - Beginning	<u>873,267</u>	<u>873,267</u>	<u>873,267</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 792,407</b></u>	<u><b>\$ 789,977</b></u>	<u><b>\$ 821,214</b></u>	<u><b>\$ 31,237</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (52,053)	
To adjust revenues for accruals			159	
To adjust expenditures for accruals			<u>0</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (51,894)</b></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Police K-9 Unit  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 2,020	\$ 2,036	\$ 26	\$ (2,010)
Expenditures:				
Current:				
Public safety				
Other services and charges	2,020	2,020	-	2,020
Net change in fund balances	-	16	26	10
Fund balances - Beginning	2,859	2,859	2,859	-
Fund balances - Ending	<b>\$ 2,859</b>	<b>\$ 2,875</b>	<b>\$ 2,885</b>	<b>\$ 10</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 26	
To adjust expenditures for accruals			1	
Net change in fund balance, GAAP basis			<b>\$ 27</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Special Revenue Funds - Industrial Revolving Fund  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 210,000	\$ 239,705	\$ 169,223	\$ (70,482)
Expenditures:				
Economic Development:				
Other services and charges	<u>157,000</u>	<u>157,000</u>	<u>113,202</u>	<u>43,798</u>
Net change in fund balances	53,000	82,705	56,021	(26,684)
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 53,000</b></u>	<u><b>\$ 82,705</b></u>	<u><b>\$ 56,021</b></u>	<u><b>\$ (26,684)</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 56,021	
To adjust revenues for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 56,021</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - College Football Hall of Fame Debt Service**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property	\$ 1,202,000	\$ 827,000	\$ 820,071	\$ (6,929)
Intergovernmental	67,000	67,000	47,836	(19,164)
Other	-	300	285	(15)
Total revenue	<u>1,269,000</u>	<u>894,300</u>	<u>868,192</u>	<u>(26,108)</u>
Expenditures:				
Debt service:				
Principal	1,215,000	1,214,580	1,082,547	132,033
Interest and fiscal agent fees	<u>54,000</u>	<u>54,419</u>	<u>54,220</u>	<u>199</u>
Total expenditures	<u>1,269,000</u>	<u>1,268,999</u>	<u>1,136,767</u>	<u>132,232</u>
Net change in fund balances	-	(374,699)	(268,575)	106,124
Fund balances - Beginning	<u>289,757</u>	<u>289,757</u>	<u>289,757</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 289,757</b></u>	<u><b>\$ (84,942)</b></u>	<u><b>\$ 21,182</b></u>	<u><b>\$ 106,124</b></u>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (268,575)	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u><b>\$ (268,576)</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - Redevelopment Bond - Airport Taxable**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 14,000	\$ 14,000	\$ 9,536	\$ (4,464)
Other financing uses - Transfers out	(14,000)	(14,000)	(9,390)	4,610
Net change in fund balances	-	-	146	146
Fund balances - Beginning	1,038,904	1,038,904	1,038,904	-
Fund balances - Ending	<b><u>\$ 1,038,904</u></b>	<b><u>\$ 1,038,904</u></b>	<b><u>\$ 1,039,050</u></b>	<b><u>\$ 146</u></b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ 146	
To adjust revenues for accruals			212	
To adjust expenditures for accruals			(318)	
Net change in fund balance, GAAP basis			<b><u>\$ 40</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - Coveleski Bond Debt Service Reserve**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 5,000	\$ 5,410	\$ 4,725	\$ (685)
Net change in fund balances	5,000	5,410	4,725	(685)
Fund balances - Beginning	<u>512,561</u>	<u>512,561</u>	<u>512,561</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 517,561</u></b>	<b><u>\$ 517,971</u></b>	<b><u>\$ 517,286</u></b>	<b><u>\$ (685)</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,725	
To adjust revenues for accruals			<u>105</u>	
Net change in fund balance, GAAP basis			<b><u>\$ 4,830</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - Redevelopment Bond - Palais Royale**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue - Other	\$ 15,000	\$ 20,000	\$ 15,946	\$ (4,054)
Other financing uses - Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(14,653)</u>	<u>347</u>
Net change in fund balances	-	5,000	1,293	(3,707)
Fund balances - Beginning	<u>1,735,840</u>	<u>1,735,840</u>	<u>1,735,840</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 1,735,840</u></b>	<b><u>\$ 1,740,840</u></b>	<b><u>\$ 1,737,133</u></b>	<b><u>\$ (3,707)</u></b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ 1,293	
To adjust revenues for accruals			351	
To adjust expenditures for accruals			<u>(530)</u>	
Net change in fund balance, GAAP basis			<b><u>\$ 1,114</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Debt Service Funds - Century Center Energy Conservation Debt Service**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 110,130	\$ 110,957	\$ 110,958	\$ 1
Expenditures:				
Other services and charges	192,297	192,297	191,297	1,000
Other financing sources - Transfers in	82,167	82,167	82,167	-
Net change in fund balances	-	827	1,828	1,001
Fund balances - Beginning	57,165	57,165	57,165	-
Fund balances - Ending	<b>\$ 57,165</b>	<b>\$ 57,992</b>	<b>\$ 58,994</b>	<b>\$ 1,001</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ 1,828	
To adjust expenditures for accruals			1	
Net change in fund balance, GAAP basis			<b>\$ 1,829</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Fund - Redevelopment Authority Debt Service**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 2,000	\$ 3,771	\$ 3,871	\$ 100
Expenditures:				
Economic Development:				
Other services and charges	<u>3,868,169</u>	<u>3,868,164</u>	<u>3,866,169</u>	<u>1,995</u>
Other financing sources - Transfers in	<u>3,866,169</u>	<u>3,887,000</u>	<u>3,887,000</u>	<u>-</u>
Other financing sources - Transfers out	<u>-</u>	<u>(735,241)</u>	<u>(735,241)</u>	<u>-</u>
Net change in fund balances	-	(712,634)	(710,539)	2,095
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ (712,634)</u></u>	<u><u>\$ (710,539)</u></u>	<u><u>\$ 2,095</u></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (710,539)	
To adjust revenues for accruals			1	
To adjust expenditures for encumbrances			<u>1</u>	
Net change in fund balance, GAAP basis			<u><u>\$ (710,536)</u></u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Debt Service Funds - Smart Street Debt Service  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 1,000	\$ 3,271	\$ 3,274	\$ 3
Expenditures:				
Other services and charges	855,784	1,252,284	1,249,569	2,715
Other financing sources - Transfers in	854,784	856,500	856,500	-
Net change in fund balances	-	(392,513)	(389,795)	2,718
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ (392,513)</u>	<u>\$ (389,795)</u>	<u>\$ 2,718</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (389,795)	
To adjust revenues for accruals			(179)	
Net change in fund balance, GAAP basis			<u>\$ (389,974)</u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Debt Service Funds - Parks Bond Debt Service  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 1,000	\$ 1,409	\$ 1,472	\$ 63
Expenditures:				
Other services and charges	391,482	391,482	390,482	1,000
Other financing sources - Transfers in	390,482	390,482	384,835	(5,647)
Net change in fund balances	-	409	(4,175)	(4,584)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ 409</u>	<u>\$ (4,175)</u>	<u>\$ (4,584)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,175)	
To adjust revenues for accruals			<u>31,723</u>	
Net change in fund balance, GAAP basis			<u>\$ 27,548</u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - Erskine Village Debt Service**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 115	\$ 114	\$ (1)
Expenditures:				
Economic Development:				
Other services and charges	<u>3,960,668</u>	<u>3,961,668</u>	<u>3,961,668</u>	<u>-</u>
Other financing sources - Transfers in	<u>3,960,668</u>	<u>3,961,667</u>	<u>3,961,667</u>	<u>-</u>
Other financing sources - Transfers out	<u>(561,000)</u>	<u>(561,250)</u>	<u>(561,230)</u>	<u>20</u>
Net change in fund balances	(561,000)	(561,136)	(561,117)	19
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ (561,000)</b></u>	<u><b>\$ (561,136)</b></u>	<u><b>\$ (561,117)</b></u>	<u><b>\$ 19</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (561,117)	
To adjust revenues for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (561,117)</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - Eddy St. Commons Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 2,501,479	\$ 2,501,480	\$ 1
Expenditures:				
Neighborhood Engagement:				
Other services and charges	-	2,500,000	2,500,000	-
Total expenditures	-	2,500,000	2,500,000	-
Net change in fund balances	-	1,479	1,480	1
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ 1,479</u>	<u>\$ 1,480</u>	<u>\$ 1</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,480	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			<u>2,500,000</u>	
Net change in fund balance, GAAP basis			<u>\$ 2,501,480</u>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Projects Funds - Professional Sports Development  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 409,659	\$ (290,341)
Other	32,000	34,325	44,724	10,399
Total revenue	<u>732,000</u>	<u>734,325</u>	<u>454,383</u>	<u>(279,942)</u>
Expenditures:				
Culture and recreation:				
Other services and charges	827,955	827,955	827,955	-
Other uses	-	-	-	-
Total expenditures	<u>827,955</u>	<u>827,955</u>	<u>827,955</u>	<u>-</u>
Net change in fund balances	(95,955)	(93,630)	(373,572)	(279,942)
Fund balances - Beginning	<u>397,351</u>	<u>397,351</u>	<u>397,351</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 301,396</u></b>	<b><u>\$ 303,721</u></b>	<b><u>\$ 23,779</u></b>	<b><u>\$ (279,942)</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (373,572)	
To adjust revenues for accruals			<u>(62,441)</u>	
Net change in fund balance, GAAP basis			<b><u>\$ (436,013)</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Coveleski Stadium Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 40,200	\$ 42,715	\$ 42,590	\$ (125)
Expenditures:				
Culture and recreation:				
Supplies	-	-	-	-
Other services and charges	30,000	79,000	78,597	403
Capital outlay	-	-	-	-
Total expenditures	30,000	79,000	78,597	403
Net change in fund balances	10,200	(36,285)	(36,007)	278
Fund balances - Beginning	90,551	90,551	90,551	-
Fund balances - Ending	<b>\$ 100,751</b>	<b>\$ 54,266</b>	<b>\$ 54,544</b>	<b>\$ 278</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (36,007)	
To adjust revenues for accruals			8	
To adjust expenditures for accruals			(0)	
Net change in fund balance, GAAP basis			<b>\$ (35,999)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Zoo Endowment**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 200	\$ 200	\$ 151	\$ (49)
Expenditures:				
Capital	49,688	50,050	50,049	1
Net change in fund balances	(49,488)	(49,850)	(49,898)	(48)
Fund balances - Beginning	49,907	49,907	49,907	-
Fund balances - Ending	<b>\$ 419</b>	<b>\$ 57</b>	<b>\$ 9</b>	<b>\$ (48)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (49,898)	
To adjust revenues for accruals			(5)	
Net change in fund balance, GAAP basis			<b>\$ (49,903)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Park Nonreverting Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 26,000	\$ 26,000	\$ 5,754	\$ (20,246)
Other	26,000	126,000	80,198	(45,802)
Total revenue	52,000	152,000	85,952	(66,048)
Expenditures:				
Culture and recreation:				
Supplies	51,000	102,326	81,590	20,736
Other services and charges	54,000	63,288	28,873	34,415
Capital outlay	40,000	387,410	346,365	41,045
Total expenditures	145,000	553,024	456,828	96,196
Other financing sources - Transfers in	93,000	287,850	185,000	(102,850)
Net change in fund balances	-	(113,174)	(185,876)	(72,702)
Fund balances - Beginning	310,766	310,766	310,766	-
Fund balances - Ending	<b><u>\$ 310,766</u></b>	<b><u>\$ 197,592</u></b>	<b><u>\$ 124,891</u></b>	<b><u>\$ (72,702)</u></b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (185,876)	
To adjust revenues for accruals			10	
To adjust expenditures for encumbrances			(19,966)	
To adjust expenditures for encumbrances			51,872	
Net change in fund balance, GAAP basis			<b><u>\$ (153,960)</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - Cumulative Capital Development**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes - Property	\$ 436,000	\$ 444,000	\$ 436,823	\$ (7,177)
Intergovernmental	37,500	37,500	38,286	786
Other	3,000	4,745	3,875	(870)
Total revenue	476,500	486,245	478,984	(7,261)
Expenditures:				
General government:				
Other services and charges	476,500	476,500	438,241	38,259
Net change in fund balances	-	9,745	40,743	30,998
Fund balances - Beginning	580,421	580,421	580,421	-
Fund balances - Ending	<b>\$ 580,421</b>	<b>\$ 590,166</b>	<b>\$ 621,164</b>	<b>\$ 30,998</b>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 40,743	
To adjust revenues for accruals			90	
Net change in fund balance, GAAP basis			<b>\$ 40,833</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Cumulative Capital Improvement**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Intergovernmental	\$ 408,000	\$ 408,000	\$ 395,915	\$ (12,085)
Other	27,000	29,000	28,174	(826)
Total revenue	435,000	437,000	424,089	(12,911)
Expenditures:				
General government:				
Other services and charges	372,250	372,250	372,050	200
Net change in fund balances	62,750	64,750	52,039	(12,711)
Fund balances - Beginning	378,315	378,315	378,315	-
Fund balances - Ending	<b>\$ 441,065</b>	<b>\$ 443,065</b>	<b>\$ 430,354</b>	<b>\$ (12,711)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 52,039	
To adjust revenues for accruals			79	
Net change in fund balance, GAAP basis			<b>\$ 52,118</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Morris Performing Arts Center Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Charges for services	\$ 100,000	\$ 100,000	\$ 73,508	\$ (26,492)
Other	4,000	6,500	5,951	(549)
Total revenue	<u>104,000</u>	<u>106,500</u>	<u>79,459</u>	<u>(27,041)</u>
Expenditures:				
Culture and recreation:				
Supplies	20,000	20,958	3,603	17,355
Other services and charges	27,500	80,186	46,383	33,803
Capital outlay	<u>50,000</u>	<u>300,000</u>	<u>222,733</u>	<u>77,267</u>
Total expenditures	<u>97,500</u>	<u>401,144</u>	<u>272,719</u>	<u>128,425</u>
Net change in fund balances	6,500	(294,644)	(193,260)	101,384
Fund balances - Beginning	<u>589,942</u>	<u>589,942</u>	<u>589,942</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 596,442</b></u>	<u><b>\$ 295,298</b></u>	<u><b>\$ 396,682</b></u>	<u><b>\$ 101,384</b></u>

**Budget/GAAP Reconciliation**

Net change in fund balance, budget basis	\$ (193,260)
To adjust revenues for accruals	96
To adjust expenditures for accruals	408
To adjust expenditures for encumbrances	<u>19,000</u>
Net change in fund balance, GAAP basis	<u><b>\$ (173,756)</b></u>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF Leighton Plaza**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 197,014	\$ 197,051	\$ 116,772	\$ (80,279)
Expenditures:				
Economic Development:				
Supplies	10,342	10,342	8,368	1,974
Other services and charges	147,824	147,824	123,681	24,143
Total expenditures	158,166	158,166	132,049	26,117
Net change in fund balances	38,848	38,885	(15,277)	(54,162)
Fund balances - Beginning	186,841	186,841	186,841	-
Fund balances - Ending	<b>\$ 225,689</b>	<b>\$ 225,726</b>	<b>\$ 171,564</b>	<b>\$ (54,162)</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (15,277)	
To adjust revenues for accruals			123	
To adjust expenditures for accruals			11,142	
Net change in fund balance, GAAP basis			<b>\$ (4,012)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF - West Washington**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 420,000	\$ 420,000	\$ 378,994	\$ (41,006)
Other	16,000	22,000	18,448	(3,552)
Total revenue	<u>436,000</u>	<u>442,000</u>	<u>397,442</u>	<u>(44,558)</u>
Expenditures:				
Economic Development:				
Other services and charges	26,000	3,492	3,492	-
Capital outlay	1,099,000	1,424,800	964,500	460,300
Total expenditures	<u>1,125,000</u>	<u>1,428,292</u>	<u>967,992</u>	<u>460,300</u>
Net change in fund balances	(689,000)	(986,292)	(570,550)	415,742
Fund balances - Beginning	<u>1,961,420</u>	<u>1,961,420</u>	<u>1,961,420</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 1,272,420</u></b>	<b><u>\$ 975,128</u></b>	<b><u>\$ 1,390,870</u></b>	<b><u>\$ 415,742</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (570,550)	
To adjust revenues for accruals			(36,399)	
To adjust expenditures for accruals			(50,887)	
To adjust expenditures for encumbrances			<u>885,916</u>	
Net change in fund balance, GAAP basis			<b><u>\$ 228,080</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - Redevelopment General**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 135	\$ 135	\$ 71	\$ (64)
Expenditures:				
Economic Development:				
Other services and charges	4,500	4,500	1,133	3,367
Net change in fund balances	(4,365)	(4,365)	(1,062)	3,303
Fund balances - Beginning	8,455	8,455	8,455	-
Fund balances - Ending	<b>\$ 4,090</b>	<b>\$ 4,090</b>	<b>\$ 7,393</b>	<b>\$ 3,303</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,062)	
To adjust expenditures for accruals			2	
Net change in fund balance, GAAP basis			<b>\$ (1,060)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - TIF No. 1 - Southside Development**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,365,692	\$ (34,308)
Other	33,000	63,831	53,243	(10,588)
	2,433,000	2,463,831	2,418,935	(44,896)
Total revenue				
Expenditures:				
Economic Development:				
Other services and charges	-	1,411,554	1,385,614	25,940
Capital outlay	6,000,000	5,505,872	2,840,998	2,664,874
	6,000,000	6,917,426	4,226,613	2,690,813
Total expenditures				
Other financing sources - Transfers in	1,448,127	1,468,127	1,466,348	(1,779)
Net change in fund balances	(2,118,873)	(2,985,468)	(341,330)	2,644,138
Fund balances - Beginning	4,622,741	4,622,741	4,622,741	-
Fund balances - Ending	<b>\$ 2,503,868</b>	<b>\$ 1,637,273</b>	<b>\$ 4,281,411</b>	<b>\$ 2,644,138</b>

**Budget/GAAP Reconciliation**

Net change in fund balance, budget basis	\$ (341,330)
To adjust revenues for accruals	1,733
To adjust expenditures for accruals	281,366
To adjust expenditures for encumbrances	3,556,025
Net change in fund balance, GAAP basis	<b>\$ 3,497,794</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF No. 3 - Southside Development**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other	<u>6,000</u>	<u>8,520</u>	<u>8,519</u>	<u>(1)</u>
Total revenue	<u>6,000</u>	<u>8,520</u>	<u>8,519</u>	<u>(1)</u>
Expenditures:				
Economic Development:				
Other services and charges	<u>3,961,668</u>	<u>3,961,668</u>	<u>3,961,667</u>	<u>1</u>
Other Financing Sources- Transfers Out	<u>(887,127)</u>	<u>(917,127)</u>	<u>(905,117)</u>	<u>12,010</u>
Net change in fund balances	(4,842,795)	(4,870,275)	(4,858,265)	12,010
Fund balances - Beginning	<u>4,859,161</u>	<u>4,859,161</u>	<u>4,859,161</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 16,366</b></u>	<u><b>\$ (11,114)</b></u>	<u><b>\$ 896</b></u>	<u><b>\$ 12,010</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,858,265)	
To adjust revenues for accruals			<u>(497)</u>	
Net change in fund balance, GAAP basis			<u><b>\$ (4,858,762)</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Football Hall of Fame Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 5,000	\$ 5,000	\$ 4,383	\$ (617)
Expenditures:				
Culture and Recreation:				
Supplies	-	-	-	-
Other services and charges	80,000	81,091	54,436	26,655
Total expenditures	80,000	81,091	54,436	26,655
Other financing sources - Transfers in	-	-	-	-
Net change in fund balances	(75,000)	(76,091)	(50,053)	26,038
Fund balances - Beginning	495,531	495,531	495,531	-
Fund balances - Ending	<b>\$ 420,531</b>	<b>\$ 419,440</b>	<b>\$ 445,478</b>	<b>\$ 26,038</b>

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ (50,053)
To adjust revenues for accruals	47,814
To adjust expenditures for accruals	12
To adjust expenditures for encumbrances	2,227
Net change in fund balance, GAAP basis	<b>\$ -</b>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Major Moves**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 1,502,472	\$ 1,058,403	\$ 1,054,550	\$ (3,853)
Expenditures:				
Major Moves Construction:				
Other Services and Charges	750,000	1,468,807	1,334,429	134,378
Capital	750,000	1,001,901	283,271	718,630
Total Expenditures	1,500,000	2,470,708	1,617,700	853,008
Net change in fund balances	2,472	(1,412,305)	(563,150)	849,155
Fund balances - Beginning	2,364,526	2,364,526	2,364,526	-
Fund balances - Ending	<b>\$ 2,366,998</b>	<b>\$ 952,221</b>	<b>\$ 1,801,376</b>	<b>\$ 849,155</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (563,150)	
To adjust revenues for accruals			(878,439)	
To adjust expenditures for accruals			(42,393)	
To adjust expenditures for encumbrances			1,105,452	
Net change in fund balance, GAAP basis			<b>\$ (378,530)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF - River East Development**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 3,000,000	\$ 3,000,000	\$ 2,630,887	\$ (369,113)
Other	<u>57,000</u>	<u>146,120</u>	<u>128,346</u>	<u>(17,774)</u>
Total revenue	<u>3,057,000</u>	<u>3,146,120</u>	<u>2,759,233</u>	<u>(386,887)</u>
Expenditures:				
Economic Development:				
Other services and charges	-	802,649	610,870	191,779
Capital outlay	<u>7,800,000</u>	<u>9,800,047</u>	<u>6,184,562</u>	<u>3,615,485</u>
Total expenditures	<u>7,800,000</u>	<u>10,602,696</u>	<u>6,795,432</u>	<u>3,807,264</u>
Other Financing Sources (uses);				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,743,000)	(7,456,576)	(4,036,199)	3,420,377
Fund balances - Beginning	<u>7,877,103</u>	<u>7,877,103</u>	<u>7,877,103</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ 3,134,103</u></b>	<b><u>\$ 420,527</u></b>	<b><u>\$ 3,840,904</u></b>	<b><u>\$ 3,420,377</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,036,199)	
To adjust revenues for accruals			(103,413)	
To adjust expenditures for accruals			(406,738)	
To adjust expenditures for encumbrances			<u>4,837,691</u>	
Net change in fund balance, GAAP basis			<b><u>\$ 291,341</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF - Douglas Road**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 327,108	\$ 327,108	\$ 379,255	\$ 52,147
Other	750	1,100	534	(566)
	<u>327,858</u>	<u>328,208</u>	<u>379,789</u>	<u>51,581</u>
Total revenue				
Expenditures:				
Economic Development:				
Other services and charges	340,000	344,216	339,924	4,292
Net change in fund balances	(12,142)	(16,008)	39,865	55,873
Fund balances - Beginning	<u>156,762</u>	<u>156,762</u>	<u>156,762</u>	<u>-</u>
Fund balances - Ending	<u><b>\$ 144,620</b></u>	<u><b>\$ 140,754</b></u>	<u><b>\$ 196,627</b></u>	<u><b>\$ 55,873</b></u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 39,865	
To adjust revenues for accruals			13	
To adjust expenditures for accruals			323,005	
To adjust expenditures for encumbrances			<u>4,200</u>	
Net change in fund balance, GAAP basis			<u><b>\$ 367,083</b></u>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - TIF - River East Residential**  
**Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 3,298,403	\$ 3,298,403	\$ 4,262,917	\$ 964,514
Other	2,500	2,500	(4,943)	(7,443)
Total revenue	3,300,903	3,300,903	4,257,974	957,071
Expenditures:				
Economic Development:				
Other services and charges	3,430,000	3,430,231	3,167,084	263,147
Net change in fund balances	(129,097)	(129,328)	1,090,890	1,220,218
Fund balances - Beginning	2,396,796	2,396,796	2,396,796	-
Fund balances - Ending	<b>\$ 2,267,699</b>	<b>\$ 2,267,468</b>	<b>\$ 3,487,686</b>	<b>\$ 1,220,218</b>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,090,890	
To adjust revenues for accruals			4,944	
To adjust expenditures for accruals			551,137	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<b>\$ 1,646,971</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - Certified Technology Park**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 302,625	\$ 262,643	\$ (39,982)
Expenditures:				
Economic Development:				
Capital outlay	-	2,200,000	1,800,000	400,000
Net change in fund balances	-	(1,897,375)	(1,537,357)	360,018
Fund balances - Beginning	2,150,819	2,150,819	2,150,819	-
Fund balances - Ending	<b>\$ 2,150,819</b>	<b>\$ 253,444</b>	<b>\$ 613,462</b>	<b>\$ 360,018</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ (1,537,357)	
To adjust revenues for accruals			(32)	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<b>\$ (1,537,389)</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - Palais Royale Historical Preservation**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 17,100	\$ 17,541	\$ 17,319	\$ (222)
Expenditures:				
Culture and recreation:				
Other services and charges	5,000	5,000	627	4,373
Net change in fund balances	12,100	12,541	16,692	4,151
Fund balances - Beginning	92,927	92,927	92,927	-
Fund balances - Ending	<b>\$ 105,027</b>	<b>\$ 105,468</b>	<b>\$ 109,619</b>	<b>\$ 4,151</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 16,692	
To adjust revenues for accruals			23	
Net change in fund balance, GAAP basis			<b>\$ 16,715</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Projects Funds - Airport Urban Enterprise Zone  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 3,900	\$ 4,044	\$ 3,532	\$ (512)
Expenditures:				
Economic Development:				
Other services and charges	50,000	50,000	-	50,000
Net change in fund balances	(46,100)	(45,956)	3,532	49,488
Fund balances - Beginning	383,166	383,166	383,166	-
Fund balances - Ending	<b>\$ 337,066</b>	<b>\$ 337,210</b>	<b>\$ 386,698</b>	<b>\$ 49,488</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,532	
To adjust revenues for accruals			78	
Net change in fund balance, GAAP basis			<b>\$ 3,610</b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Debt Service Funds - SB Building Corporation**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 4,000	\$ 4,000	\$ 3,162	\$ (838)
Expenditures:				
Other services and charges	2,643,214	2,643,214	2,644,164	(950)
Other financing sources - Transfers in	2,639,214	2,650,500	2,650,500	-
Net change in fund balances	-	11,286	9,498	(1,788)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<b>\$ -</b>	<b>\$ 11,286</b>	<b>\$ 9,498</b>	<b>\$ (1,788)</b>
<b><u>Budget/GAAP Reconciliation</u></b>				
Net change in fund balance, budget basis			\$ 9,498	
To adjust revenues for accruals			(488,544)	
To adjust expenditures for accruals			485,962	
Net change in fund balance, GAAP basis			<b>\$ 6,916</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Projects Funds - 2017 Parks Bond  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ -	\$ 13,856,100	\$ 14,081,478	\$ 225,378
Expenditures:				
Other services and charges	-	-	192,520	(192,520)
Net change in fund balances	-	13,856,100	13,888,958	32,858
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<b>\$ -</b>	<b>\$ 13,856,100</b>	<b>\$ 13,888,958</b>	<b>\$ 32,858</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 13,888,958	
To adjust revenues for accruals			-	
Net change in fund balance, GAAP basis			<b><u>\$ 13,888,958</u></b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Projects Funds - Equipment Vehicle Leasing  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Debt Proceeds	\$ 5,499,000	\$ 5,499,000	\$ 4,548,500	\$ (950,500)
Other	1,000	7,572	7,227	(345)
Total revenue	5,500,000	5,506,572	4,555,727	(950,845)
Expenditures:				
Supplies	230,000	-	-	-
Other services and charges	-	186	186	-
Capital Outlay	5,270,000	6,455,484	4,793,565	1,661,919
Total expenditures	5,500,000	6,455,670	4,793,751	1,661,919
Net change in fund balances	-	(949,098)	(238,024)	711,074
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<b>\$ -</b>	<b>\$ (949,098)</b>	<b>\$ (238,024)</b>	<b>\$ 711,074</b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (238,024)	
To adjust revenues for accruals			(2,916,461)	
To adjust expenditures for accruals			2,685,038	
To adjust expenditures for encumbrances			658,754	
Net change in fund balance, GAAP basis			<b>\$ 189,307</b>	

**City of South Bend, Indiana**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Projects Funds - Parks Bond Capital  
 Year Ended December 31, 2017

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 7,500	\$ 7,500	\$ 6,700	\$ (800)
Expenditures:				
Supplies	-	70,000	61,848	8,152
Other services and charges	-	200,000	119,508	80,492
Capital Outlay	<u>3,500,000</u>	<u>3,230,000</u>	<u>931,936</u>	<u>2,298,064</u>
Total expenditures	<u>3,500,000</u>	<u>3,500,000</u>	<u>1,113,292</u>	<u>2,386,708</u>
Net change in fund balances	(3,492,500)	(3,492,500)	(1,106,592)	2,385,908
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ (3,492,500)</u></b>	<b><u>\$ (3,492,500)</u></b>	<b><u>\$ (1,106,592)</u></b>	<b><u>\$ 2,385,908</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,106,592)	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			(517,472)	
To adjust expenditures for encumbrances			<u>40,617</u>	
Net change in fund balance, GAAP basis			<b><u>\$ (1,583,448)</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Funds - Smart Street Bond Capital**  
**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other	\$ 17,000	\$ 100,579	\$ 68,654	\$ (31,925)
Expenditures:				
Economic Development:				
Other services and charges	-	1,500	1,500	-
Capital outlay	<u>10,000,000</u>	<u>9,998,500</u>	<u>4,956,452</u>	<u>5,042,048</u>
Total expenditures	<u>10,000,000</u>	<u>10,000,000</u>	<u>4,957,952</u>	<u>5,042,048</u>
Net change in fund balances	(9,983,000)	(9,899,421)	(4,889,298)	5,010,123
Fund balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - Ending	<b><u>\$ (9,983,000)</u></b>	<b><u>\$ (9,899,421)</u></b>	<b><u>\$ (4,889,298)</u></b>	<b><u>\$ 5,010,123</u></b>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,889,298)	
To adjust revenues for accruals			(603)	
To adjust expenditures for accruals			1,686,422	
To adjust expenditures for encumbrances			<u>-</u>	
Net change in fund balance, GAAP basis			<b><u>\$ (3,203,479)</u></b>	

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**

**Capital Projects Funds - Eddy St. Commons Capital**

**Year Ended December 31, 2017**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenue - Other (Debt Proceeds)	\$ -	\$ 22,500,000	\$ 22,500,000	\$ -
Expenditures:				
Neighborhood Engagement:				
Other services and charges	-	396,250	396,250	-
Capital outlay	-	22,103,750	22,103,750	-
Total expenditures	-	22,500,000	22,500,000	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ -	\$ -	\$ -
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			16,103,750	
Net change in fund balance, GAAP basis			<b>\$ 16,103,750</b>	

**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.

Other Supplemental Information  
Combining Statement of Net Position  
Nonmajor Enterprise Funds

**December 31, 2017**

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 909,462	\$ 354,343	\$ 154,406	\$ 1,776,873	\$ 3,195,084
Investments	2,224,315	867,066	377,828	4,354,832	7,824,041
Receivables:					
Accounts	24,041	179	430,492	3,742,282	4,196,994
Interest	5,985	2,336	1,089	11,706	21,116
Prepaid expenses	3,250	-	-	26,634	29,884
Total current assets	<u>3,167,053</u>	<u>1,223,924</u>	<u>963,815</u>	<u>9,912,327</u>	<u>15,267,119</u>
Noncurrent assets:					
Restricted assets	130,001	-	411,275	119,039	660,315
Capital assets:					
Assets not subject to depreciation	27,400	1,132,020	-	-	1,159,420
Assets subject to depreciation - Net	<u>1,836,965</u>	<u>3,093,852</u>	<u>3,309,718</u>	<u>4,757,996</u>	<u>12,998,531</u>
Total noncurrent assets	<u>1,994,366</u>	<u>4,225,872</u>	<u>3,720,993</u>	<u>4,877,035</u>	<u>14,818,266</u>
Total assets	<u>5,161,419</u>	<u>5,449,796</u>	<u>4,684,808</u>	<u>14,789,362</u>	<u>30,085,385</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	33,592	37,811	65,291	263,712	400,406
Due to other governmental units	-	-	-	75,293	75,293
Due to other funds	1,392	727	-	1,381	3,500
Performance deposits payable	12,000	-	-	-	12,000
Accrued liabilities and other	48,296	-	54,156	158,969	261,421
Compensated absences	122,365	-	37,247	-	159,612
Mortgage bonds payable	-	-	-	225,000	225,000
Capital leases	93,987	-	825,058	139,033	1,058,078
Total current liabilities	<u>311,632</u>	<u>38,538</u>	<u>981,752</u>	<u>863,388</u>	<u>2,195,310</u>
Noncurrent liabilities:					
Advances from other funds	-	31,191	-	-	31,191
Mortgage bonds payable	-	-	-	4,761,135	4,761,135
Capital leases	<u>315,778</u>	<u>-</u>	<u>1,914,943</u>	<u>304,108</u>	<u>2,534,829</u>
Total noncurrent liabilities	<u>315,778</u>	<u>31,191</u>	<u>1,914,943</u>	<u>5,065,243</u>	<u>7,327,155</u>
Total liabilities	<u>627,410</u>	<u>69,729</u>	<u>2,896,695</u>	<u>5,928,631</u>	<u>9,522,465</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>1,049</u>	<u>-</u>	<u>-</u>	<u>1,049</u>
<b>Net Position</b>					
Net investment in capital assets	1,584,279	4,225,872	941,122	(671,280)	6,079,993
Restricted:					
Cash with fiscal agent	130,001	-	371,405	119,039	620,445
Capital outlay fund	-	-	39,870	-	39,870
Unrestricted	<u>2,819,729</u>	<u>1,153,146</u>	<u>435,716</u>	<u>9,412,972</u>	<u>13,821,563</u>
Total net position	<u>\$ 4,534,009</u>	<u>\$ 5,379,018</u>	<u>\$ 1,788,113</u>	<u>\$ 8,860,731</u>	<u>\$ 20,561,871</u>

**City of South Bend, Indiana**

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**

**December 31, 2017**

	<u>Consolidated Building</u>	<u>Parking Garage</u>	<u>Solid Waste</u>	<u>Emergency Medical Services</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenue</b>					
Licenses and permits	\$ 1,898,375	\$ -	\$ -	\$ -	\$ 1,898,375
Parking fees	-	1,262,277	-	-	1,262,277
Solid waste fees	-	-	5,346,175	-	5,346,175
Charges for sales and services	-	-	-	8,370,063	8,370,063
Other	4,118	2,429	74,536	16,731	97,814
Total operating revenue	1,902,493	1,264,706	5,420,711	8,386,794	16,974,704
<b>Operating Expenses</b>					
Other operation and maintenance	3,421,176	-	3,985,362	7,855,740	15,262,278
General and administration	121,296	961,295	364,919	-	1,447,510
Depreciation	155,713	216,068	681,082	494,269	1,547,132
Total operating expenses	3,698,185	1,177,363	5,031,363	8,350,009	18,256,920
<b>Operating Income (Loss)</b>	(1,795,692)	87,343	389,348	36,785	(1,282,216)
<b>Nonoperating Revenue (Expense) -</b>					
Investment income (loss)					
Investment income	26,026	10,820	5,079	72,212	114,137
Interest expense	(6,778)	-	(48,203)	(186,407)	(241,388)
Gain (loss) on sale of assets	-	-	(89,562)	(80,634)	(170,196)
Other nonoperating general revenue	3,588	-	-	-	3,588
Total nonoperating revenue (expense)	22,836	10,820	(132,686)	(194,829)	(293,859)
<b>Income (Loss) - Before transfers</b>	(1,772,856)	98,163	256,662	(158,044)	(1,576,075)
<b>Transfers In</b>	2,167,316	-	-	-	2,167,316
<b>Change in Net Position</b>	394,460	98,163	256,662	(158,044)	591,241
<b>Net Position - Beginning of year</b>	4,139,549	5,280,855	1,531,451	9,018,775	19,970,630
<b>Net Position - End of year</b>	<u>\$ 4,534,009</u>	<u>\$ 5,379,018</u>	<u>\$ 1,788,113</u>	<u>\$ 8,860,731</u>	<u>\$ 20,561,871</u>

**City of South Bend, Indiana**

**Other Supplemental Information  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds**

**December 31, 2017**

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 1,888,203	\$ 1,262,674	\$ 5,441,364	\$ 8,733,206	\$ 17,325,447
Receipts from interfund services and reimbursements	1,200	-	-	-	1,200
Payments to suppliers	(757,194)	(980,445)	(2,148,517)	(3,075,590)	(6,961,746)
Payments to employees	(2,586,649)	-	(1,713,994)	(4,728,008)	(9,028,651)
Internal activity - Payments to other funds	(162,297)	(39,629)	(433,032)	(20,018)	(654,976)
Net cash and cash equivalents used in operating activities	(1,616,737)	242,600	1,145,821	909,590	681,274
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from other funds	2,167,316	-	-	-	2,167,316
Other nonoperating revenue	3,588	-	-	-	3,588
Net cash and cash equivalents provided by noncapital financing activities	2,170,904	-	-	-	2,170,904
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from capital debt issued for future capital purchases	129,679	-	371,405	-	501,084
Proceeds from capital debt	107,474	-	176,205	-	283,679
Purchase of capital assets	(178,821)	-	(552,610)	-	(731,431)
Principal paid on capital debt	(54,756)	-	(1,034,515)	(402,805)	(1,492,076)
Interest paid on capital debt	(3,728)	-	(41,625)	(193,179)	(238,532)
Net cash and cash equivalents used in capital and related financing activities	(152)	-	(1,081,140)	(595,984)	(1,677,276)
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	24,908	10,281	4,975	70,549	110,713
Proceeds from sale and maturities of investment securities	(194,058)	(114,551)	4,777	(169,376)	(473,208)
Net cash and cash equivalents used in investing activities	(169,150)	(104,270)	9,752	(98,827)	(362,495)
<b>Net Increase in Cash and Cash Equivalents</b>	384,865	138,330	74,433	214,779	812,407
<b>Cash and Cash Equivalents - Beginning of year (1)</b>	654,276	216,013	462,945	1,681,133	3,014,367
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 1,039,141</u>	<u>\$ 354,343</u>	<u>\$ 537,378</u>	<u>\$ 1,895,912</u>	<u>\$ 3,826,774</u>

Other Supplemental Information  
Combining Statement of Cash Flows (Continued)  
Nonmajor Enterprise Funds

December 31, 2017

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
<b>Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$ 3,133,777	\$ 1,221,409	\$ 532,234	\$ 6,131,705	\$ 11,019,125
Restricted cash	130,001	-	411,275	119,039	660,315
Restricted investments	<u>(2,224,637)</u>	<u>(867,066)</u>	<u>(406,131)</u>	<u>(4,354,832)</u>	<u>(7,852,666)</u>
Total cash and cash equivalents	<b><u>\$ 1,039,141</u></b>	<b><u>\$ 354,343</u></b>	<b><u>\$ 537,378</u></b>	<b><u>\$ 1,895,912</u></b>	<b><u>\$ 3,826,774</u></b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ (1,795,692)	\$ 87,343	\$ 389,348	\$ 36,785	\$ (1,282,216)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	155,713	216,068	681,082	494,269	1,547,132
Lease proceeds used for non-capital expenses	-	-	275,474	5,252	280,726
Changes in assets and liabilities:					
Receivables	(14,290)	(2,031)	20,652	346,411	350,742
Due from other funds	1,200	-	-	-	1,200
Due to other governments	-	-	-	(25,849)	(25,849)
Prepaid expenses and other assets	(3,250)	-	-	(26,634)	(29,884)
Performance deposit	7,000	-	-	-	7,000
Accounts payable	12,552	(59,507)	(200,879)	168,987	(78,847)
Due to other funds	327	727	-	10	1,064
Accrued payroll payable	537	-	(20,151)	3,973	(15,641)
Compensated absences payable	19,166	-	295	(93,614)	(74,153)
Total adjustments	<u>178,955</u>	<u>155,257</u>	<u>756,473</u>	<u>872,805</u>	<u>1,963,490</u>
Net cash and cash equivalents used in operating activities	<b><u>\$ (1,616,737)</u></b>	<b><u>\$ 242,600</u></b>	<b><u>\$ 1,145,821</u></b>	<b><u>\$ 909,590</u></b>	<b><u>\$ 681,274</u></b>
<b>Significant Noncash Transactions</b>					
Capital assets disposed (at cost)	\$ (46,721)	-	\$ (218,297)	\$ (414,201)	\$ (679,219)
Accumulated depreciation on disposals of capital assets	46,721	-	128,735	333,567	509,023

(1) 2016 ending cash inadvertently included investments. 2017 beginning cash appropriately reflects cash balance as of January 1, 2017.

**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 Service**

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.

**Innovation & Technology/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 Supplemental Information Combining Statement of Net Position Internal Service Funds

**December 31, 2017**

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology/ 311 Call Center	Unemployment Compensation Insurance	Total Internal Service Funds
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 1,351,931	\$ 2,893,341	\$ 370,203	\$ 217,746	\$ 1,589,083	\$ 65,353	\$ 6,487,657
Investments	3,308,131	7,011,537	905,875	532,817	-	159,916	11,918,276
Receivables:							
Accounts	24,354	4,468	54,876	-	16,439	-	100,137
Interest	8,931	18,953	2,305	1,431	-	430	32,050
Due from other funds	-	-	418	-	2,760	-	3,178
Inventory	-	-	892,166	-	-	-	892,166
Prepaid expenses	193,012	-	7,738	-	310,636	-	511,386
<b>Total current assets</b>	<b>4,886,359</b>	<b>9,928,299</b>	<b>2,233,581</b>	<b>751,994</b>	<b>1,918,918</b>	<b>225,699</b>	<b>19,944,850</b>
Noncurrent assets:							
Capital assets - Net	1,869	-	1,404,402	-	5,845	-	1,412,116
<b>Total noncurrent assets</b>	<b>1,869</b>	<b>-</b>	<b>1,404,402</b>	<b>-</b>	<b>5,845</b>	<b>-</b>	<b>1,412,116</b>
<b>Total assets</b>	<b>4,888,228</b>	<b>9,928,299</b>	<b>3,637,983</b>	<b>751,994</b>	<b>1,924,763</b>	<b>225,699</b>	<b>21,356,966</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	143,173	6,930	648,783	-	96,173	565	895,624
Due to other funds	-	1,288	1,150	-	-	-	2,438
Accrued liabilities and other	4,270	-	53,202	-	33,000	-	90,472
Compensated absences	13,915	-	138,470	-	120,110	-	272,495
Claims payable	1,175,541	934,220	-	-	-	-	2,109,761
Capital leases	-	-	13,272	-	117,269	-	130,541
<b>Total current liabilities</b>	<b>1,336,899</b>	<b>942,438</b>	<b>854,877</b>	<b>-</b>	<b>366,552</b>	<b>565</b>	<b>3,501,331</b>
Noncurrent liabilities:							
Capital leases	-	-	32,287	-	235,173	-	267,460
<b>Total liabilities</b>	<b>1,336,899</b>	<b>942,438</b>	<b>887,164</b>	<b>-</b>	<b>601,725</b>	<b>565</b>	<b>3,768,791</b>
<b>Net Position</b>							
Net investment in capital assets	1,869	-	1,358,843	-	-	-	1,360,712
Unrestricted	3,549,460	8,985,861	1,391,976	751,994	1,323,038	225,134	16,227,463
<b>Total net position</b>	<b>\$ 3,551,329</b>	<b>\$ 8,985,861</b>	<b>\$ 2,750,819</b>	<b>\$ 751,994</b>	<b>\$ 1,323,038</b>	<b>\$ 225,134</b>	<b>\$ 17,588,175</b>

# City of South Bend, Indiana

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds

**Year Ended December 31, 2017**

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology/ 311 Call Center	Unemploymen t Compensatio n Insurance	Total Internal Service Funds
<b>Operating Revenue</b>							
Employer/ employee contributions	\$ 2,927,567	\$ 17,857,727	\$ -	\$ 1,960	\$ -	\$ -	\$ 20,787,254
Charges for sales and services	-	-	7,584,732	-	5,117,818	-	12,702,550
Other	95,054	98	27,753	-	-	-	122,905
Total operating revenue	3,022,621	17,857,825	7,612,485	1,960	5,117,818	-	33,612,709
<b>Operating Expenses</b>							
Other operation and maintenance	-	1,079,923	7,675,983	9,986	3,378,985	48,932	12,193,809
Insurance claims and premiums	1,345,862	13,366,020	-	-	-	-	14,711,882
General and administration	1,611,184	173,563	135,024	-	-	3,708	1,923,479
Depreciation	4,487	-	134,097	-	20,529	-	159,113
Total operating expenses	2,961,533	14,619,506	7,945,104	9,986	3,399,514	52,640	28,988,283
<b>Operating Income (Loss)</b>	61,088	3,238,319	(332,619)	(8,026)	1,718,304	(52,640)	4,624,426
<b>Nonoperating Revenue (Expense)</b>							
Investment income	42,582	83,373	9,574	7,092	-	2,453	145,074
Interest expense	-	-	(2,219)	-	(19,367)	-	(21,586)
Gain (loss) on sale of assets	-	-	-	-	(375,899)	-	(375,899)
Total nonoperating revenue (expense)	42,582	83,373	7,355	7,092	(395,266)	2,453	(252,411)
<b>Change in Net Position</b>	103,670	3,321,692	(325,264)	(934)	1,323,038	(50,187)	4,372,015
<b>Net Position - Beginning of year</b>	3,447,659	5,664,169	3,076,083	752,928	-	275,321	13,216,160
<b>Net Position - End of year</b>	<u>\$ 3,551,329</u>	<u>\$ 8,985,861</u>	<u>\$ 2,750,819</u>	<u>\$ 751,994</u>	<u>\$ 1,323,038</u>	<u>\$ 225,134</u>	<u>\$ 17,588,175</u>

Other Supplemental Information  
Combining Statement of Cash Flows  
Internal Service Funds

Year Ended December 31, 2017

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology/311 Call Center	Unemployment Compensation Insurance	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Receipts from customers	\$ 95,053	\$ 3,652,599	\$ 33,348	\$ 1,960	\$ -	\$ -	\$ 3,782,960
Receipts from interfund services and reimbursements	2,905,202	14,204,375	7,593,641	-	5,167,452	-	29,870,670
Payments to suppliers	(2,662,491)	(14,748,082)	(4,688,345)	-	(1,517,581)	(59,628)	(23,676,127)
Payments to employees	(262,116)	-	(2,892,150)	-	(1,902,312)	-	(5,056,578)
Internal activity - Payments to other funds	(57,012)	-	(160,427)	(9,986)	(5,784)	(3,708)	(236,917)
Net cash and cash equivalents provided by operating activities	18,636	3,108,892	(113,933)	(8,026)	1,741,775	(63,336)	4,684,008
<b>Cash Flows from Capital and Related Financing Activities</b>							
Purchase of capital assets	-	-	(136,794)	-	-	-	(136,794)
Principal paid on capital debt	-	-	(13,597)	-	(134,229)	-	(147,826)
Interest paid on capital debt	-	-	(2,134)	-	(18,463)	-	(20,597)
Net cash and cash equivalents used in capital and related financing activities	-	-	(152,525)	-	(152,692)	-	(305,217)
<b>Cash Flows from Investing Activities</b>							
Interest received on investments	42,221	76,940	10,064	7,059	-	2,556	138,840
Proceeds from sale and maturities of investment securities	265,302	(1,812,520)	283,951	51,097	-	62,335	(1,149,835)
Net cash and cash equivalents provided by (used in) investing activities	307,523	(1,735,580)	294,015	58,156	-	64,891	(1,010,995)
<b>Net Increase in Cash and Cash Equivalents</b>	326,159	1,373,312	27,557	50,130	1,589,083	1,555	3,367,796
<b>Cash and Cash Equivalents - Beginning of year</b>	1,025,772	1,520,029	342,646	167,616	-	63,798	3,119,861
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 1,351,931</u>	<u>\$ 2,893,341</u>	<u>\$ 370,203</u>	<u>\$ 217,746</u>	<u>\$ 1,589,083</u>	<u>\$ 65,353</u>	<u>\$ 6,487,657</u>
<b>Classification of Cash and Cash Equivalents</b>							
Cash and investments	\$ 4,660,062	\$ 9,904,878	\$ 1,276,078	\$ 750,563	\$ 1,589,083	\$ 225,269	\$ 18,405,933
Restricted investments	(3,308,131)	(7,011,537)	(905,875)	(532,817)	-	(159,916)	(11,918,276)
Total cash and cash equivalents	<u>\$ 1,351,931</u>	<u>\$ 2,893,341</u>	<u>\$ 370,203</u>	<u>\$ 217,746</u>	<u>\$ 1,589,083</u>	<u>\$ 65,353</u>	<u>\$ 6,487,657</u>

Other Supplemental Information  
Combining Statement of Cash Flows (Continued)  
Internal Service Funds

Year Ended December 31, 2017

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology/311 Call Center	Unemployment Compensation Insurance	Total Internal Service Funds
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>							
Operating income (loss)	\$ 61,088	\$ 3,238,319	\$ (332,619)	\$ (8,026)	\$ 1,718,304	\$ (52,640)	\$ 4,624,426
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	4,487	-	134,097	-	20,529	-	159,113
Lease proceeds used for noncapital purchases	-	-	-	-	84,397	-	84,397
Changes in assets and liabilities:							
Receivables	(22,365)	(852)	5,009	-	(16,439)	-	(34,647)
Due from other funds	-	-	9,493	-	66,073	-	75,566
Inventory	-	-	(12,429)	-	-	-	(12,429)
Prepaid and other assets	2,526	-	(560)	-	(310,636)	-	(308,670)
Accounts payable	95,629	(47,786)	55,305	-	96,155	(10,696)	188,607
Due to other funds	-	(795)	145	-	(1,200)	-	(1,850)
Accrued payroll payable	203	-	666	-	23,541	-	24,410
Compensated absences payable	4,928	-	26,960	-	61,051	-	92,939
Estimate of unfilled claims	(127,860)	(79,994)	-	-	-	-	(207,854)
Total adjustments	(42,452)	(129,427)	218,686	-	23,471	(10,696)	59,582
Net cash and cash equivalents provided by operating activities	<u>\$ 18,636</u>	<u>\$ 3,108,892</u>	<u>\$ (113,933)</u>	<u>\$ (8,026)</u>	<u>\$ 1,741,775</u>	<u>\$ (63,336)</u>	<u>\$ 4,684,008</u>
<b>Significant Noncash Transactions</b>							
Capital assets disposed (at cost)	\$ (3,426)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,426)
Accumulated depreciation on disposals of capital assets	3,426	-	-	-	-	-	3,426
Net capital assets transferred between governmental and internal service funds	-	-	24,000	-	-	-	24,000

**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.

Other Supplemental Information  
Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2017

	Pension Trust Funds			Agency Funds			
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Payroll	Morris Palais Royale Box Office	Police Distribution Payable	Total Agency Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 256,337	\$ 134,404	\$ 390,741	\$ 433,998	\$ 2,446,226	\$ 841,894	\$ 3,722,118
Investments	627,249	328,883	956,132	-	-	-	-
Receivables:							
Accounts	-	2,362	2,362	-	-	-	-
Interest	1,821	988	2,809	-	-	-	-
Total assets	885,407	466,637	1,352,044	433,998	2,446,226	841,894	3,722,118
<b>Liabilities</b>							
Accounts payable	91	69	160	-	-	-	-
Accrued liabilities and other	-	310	310	433,998	-	-	433,998
Customer deposits payable	-	-	-	-	2,446,226	-	2,446,226
Police distribution payable	-	-	-	-	-	841,894	841,894
Total liabilities	91	379	470	433,998	2,446,226	841,894	3,722,118
<b>Net Position</b>	<b>\$ 885,316</b>	<b>\$ 466,258</b>	<b>\$ 1,351,574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Other Supplemental Information  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds**

**Year Ended December 31, 2017**

	1925 Police Pension	1937 Firefighters' Pension	Total Fiduciary Funds
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 6,557	\$ 3,353	\$ 9,910
Total investment income	6,557	3,353	9,910
Contributions:			
On behalf	6,204,179	4,920,712	11,124,891
Other	13,544	4,251	17,795
Total contributions	6,217,723	4,924,963	11,142,686
Total additions	6,224,280	4,928,316	11,152,596
<b>Deductions</b>			
Benefit payments	6,119,245	4,615,179	10,734,424
Administrative expenses	13,577	14,073	27,650
Total deductions	6,132,822	4,629,252	10,762,074
<b>Net Increase (Decrease) in Net Position Held in Trust</b>	91,458	299,064	390,522
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	793,858	167,194	961,052
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b>\$ 885,316</b>	<b>\$ 466,258</b>	<b>\$ 1,351,574</b>

**City of South Bend, Indiana**

Other Supplemental Information  
Schedule of Changes in Assets and Liabilities  
Agency Funds

**Year Ended December 31, 2017**

	Payroll			
	January 1, 2017	Additions	Deductions	December 31, 2017
<b>Assets - Cash and investments</b>	<u>\$ 420,885</u>	<u>\$ 110,546,978</u>	<u>\$ (110,533,865)</u>	<u>\$ 433,998</u>
<b>Liabilities - Accrued liabilities and other</b>	<u>\$ 420,885</u>	<u>\$ 110,546,978</u>	<u>\$ (110,533,865)</u>	<u>\$ 433,998</u>
	Morris Palais Royale Box Office			
	January 1, 2017	Additions	Deductions	December 31, 2017
<b>Assets - Cash and cash equivalents</b>	<u>\$ 1,692,774</u>	<u>\$ 2,446,226</u>	<u>\$ (1,692,774)</u>	<u>\$ 2,446,226</u>
<b>Liabilities - Customer deposits payable</b>	<u>\$ 1,692,774</u>	<u>\$ 2,446,226</u>	<u>\$ (1,692,774)</u>	<u>\$ 2,446,226</u>
	Police Distribution Payable			
	January 1, 2017	Additions	Deductions	December 31, 2017
<b>Assets - Cash and cash equivalents</b>	<u>\$ 817,116</u>	<u>\$ 841,894</u>	<u>\$ (817,116)</u>	<u>\$ 841,894</u>
<b>Liabilities - Police distribution payable</b>	<u>\$ 817,116</u>	<u>\$ 841,894</u>	<u>\$ (817,116)</u>	<u>\$ 841,894</u>

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## Statistical Section

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This part of the City of South Bend's Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary 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, the property tax.

### Debt capacity

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

### Demographic and economic information

These schedules 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.

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## Financial Trends

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

Net Position by Component

Last Ten Fiscal Years

	As of December 31,					As of December 31,				
	2008	2009	2010	2011	2012	2013	2014 (1)	2015 (1)	2016	2017
<b>Governmental activities</b>										
Net investment in capital asset:	\$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	\$155,912,682
Restricted	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	9,245,531
Unrestricted	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)	(2,932,358)
Total net position	<u>\$246,041,948</u>	<u>\$274,186,457</u>	<u>\$292,151,758</u>	<u>\$287,891,667</u>	<u>\$282,822,829</u>	<u>\$286,593,845</u>	<u>\$158,417,429</u>	<u>\$140,859,895</u>	<u>\$162,682,638</u>	<u>\$162,225,855</u>
<b>Business-type activities</b>										
Net investment in capital asset:	\$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	\$145,585,038
Restricted	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	29,623,015
Unrestricted	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	29,181,889
Total net position	<u>\$142,545,786</u>	<u>\$146,280,120</u>	<u>\$154,691,254</u>	<u>\$162,134,622</u>	<u>\$169,411,367</u>	<u>\$170,680,174</u>	<u>\$185,698,840</u>	<u>\$194,811,413</u>	<u>\$202,610,491</u>	<u>\$204,389,942</u>
<b>Primary government</b>										
Net investment in capital asset:	\$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	\$301,497,720
Restricted	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	38,868,546
Unrestricted	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	26,249,531
Total net position	<u>\$388,587,734</u>	<u>\$420,466,577</u>	<u>\$446,843,012</u>	<u>\$450,026,289</u>	<u>\$452,234,196</u>	<u>\$457,274,019</u>	<u>\$344,116,269</u>	<u>\$335,671,308</u>	<u>\$365,293,129</u>	<u>\$366,615,797</u>

(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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General Government	\$ (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)	\$ (16,750,853)
Public Safety	(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)	(71,656,865)
Highways and Streets	(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)	(21,716,658)
Health and Welfare	(75,000)	-	-	-	-	-	-	-	-	-
Community and Economic Development	(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)	(26,326,989)
Culture and Recreation	(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)	(19,332,902)
Bond Issuance Costs	-	-	-	-	-	-	-	(372,432)	-	-
Interest on Long-Term Debt	(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)	(4,538,530)
Total governmental activities expenses	(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)	(160,322,797)
Business-type activities:										
Water	(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)	(14,902,682)
Wastewater	(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)	(32,548,087)
Century Center	(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)	(5,121,336)
Consolidated Building Department (1)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)	(3,240,172)	(3,704,963)
Parking Garage	(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)	(1,177,363)
Solid Waste	(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)	(5,169,128)
Blackthorn Golf Course	(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)	(8,617,050)
Total business-type activities net expense	(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)	(71,240,609)
Total primary government net position	(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)	(231,563,406)

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Program revenue</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 1,118,328
Public Safety	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	648,136
Highways and Streets	-	5,152	28,110	227,000	291,840	451,363	728,343	676,429	707,547	976,095
Community and Economic Develop.	636,722	332,454	283,420	683,503	271,366	444,839	485,938	408,654	481,293	1,489,942
Culture and Recreation	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	4,308,699
Operating Grants and Contributions	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	11,828,681
Capital Grants and Contributions	1,176,783	780,137	1,472,233	2,328,468	2,468,120	1,867,213	-	-	-	1,000,000
Total governmental activities program	<u>30,153,661</u>	<u>30,288,740</u>	<u>48,127,612</u>	<u>45,273,337</u>	<u>40,372,750</u>	<u>36,492,193</u>	<u>14,677,672</u>	<u>9,342,840</u>	<u>10,815,589</u>	<u>21,369,881</u>
Business-type activities:										
Charges for services:										
Water	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	15,290,203
Wastewater	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	38,794,212
Century Center	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	3,055,793
Consolidated Building Department	1,169,788	977,050	875,481	899,397	1,000,381	967,667	1,387,571	2,037,950	1,764,100	1,902,493
Parking Garage	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868	1,017,218	968,417	996,197	1,264,706
Solid Waste	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	5,420,711
Blackthorn Golf Course	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	8,386,794
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	1,209,380	4,038,412	1,889,165	4,291,731	2,010,253	697,916	95,834	4,683,424	649,609	1,170,970
Total business-type activities program	<u>51,085,304</u>	<u>54,440,880</u>	<u>53,102,000</u>	<u>58,868,315</u>	<u>59,429,986</u>	<u>60,604,915</u>	<u>59,954,140</u>	<u>74,680,710</u>	<u>76,119,831</u>	<u>75,285,882</u>
Total primary government program rev	<u>81,238,965</u>	<u>84,729,620</u>	<u>101,229,612</u>	<u>104,141,652</u>	<u>99,802,736</u>	<u>97,097,108</u>	<u>74,631,812</u>	<u>84,023,550</u>	<u>86,935,420</u>	<u>96,655,763</u>
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental activities	(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)	(138,952,916)
Business-type activities	(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	4,045,273
Total primary government net expense	<u>(74,498,295)</u>	<u>(94,772,038)</u>	<u>(99,995,957)</u>	<u>104,141,652</u>	<u>(95,238,043)</u>	<u>(110,869,992)</u>	<u>(121,156,852)</u>	<u>(142,186,320)</u>	<u>(111,651,261)</u>	<u>(134,907,643)</u>

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 78,266,107
County Option Income Tax	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	17,579,628
Economic Develop. Income Tax	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	10,600,122
Professional Sports Develop. Tax	453,268	522,788	597,406	558,268	633,904	649,996	588,054	628,261	673,787	347,255
Community Revitalization District Tax	955,315	605,623	416,149	733,100	653,185	244,623	-	-	-	-
Unrestricted Grants and Contributions	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	17,160,034
Unrestricted Investment earnings	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270	951,901	1,322,674	1,458,787	1,687,888
Other	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	8,555,174
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	176,742
Net Pension Obligation	-	-	-	-	-	-	-	-	-	-
Transfers	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415	3,681,016	4,123,183
Total governmental activities	<u>99,788,894</u>	<u>100,409,357</u>	<u>104,895,983</u>	<u>110,540,547</u>	<u>110,848,493</u>	<u>120,296,641</u>	<u>129,122,122</u>	<u>137,410,000</u>	<u>145,526,507</u>	<u>138,496,133</u>
Business-type activities:										
Unrestricted Investment earnings	1,514,287	271,360	146,826	206,409	285,572	138,362	128,168	358,918	570,982	578,773
Other	-	-	-	-	-	-	1,501,664	-	-	1,278,588
Transfers	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)	683,049	(2,846,415)	(3,681,016)	(4,123,183)
Total business-type activities	<u>1,479,317</u>	<u>917,352</u>	<u>795,649</u>	<u>(2,834,767)</u>	<u>(3,594,149)</u>	<u>(4,386,825)</u>	<u>2,312,881</u>	<u>(2,487,497)</u>	<u>(3,110,034)</u>	<u>(2,265,822)</u>
Total primary government	<u>101,268,211</u>	<u>101,326,709</u>	<u>105,691,632</u>	<u>107,705,780</u>	<u>107,254,344</u>	<u>115,909,816</u>	<u>131,435,003</u>	<u>134,922,503</u>	<u>142,416,473</u>	<u>136,230,311</u>
Special Item (Governmental activities):										
Well field contamination settlement	4,462,214	-	-	-	-	-	-	-	-	-
Disposal of operations	-	-	-	-	-	-	-	(1,180,964)	-	-
Change in Net Position										
Governmental activities	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	(456,783)
Business-type activities	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	1,779,451
Total primary government	<u>\$ 10,958,387</u>	<u>\$ 1,330,752</u>	<u>\$ 209,833,284</u>	<u>\$ 10,621,863</u>	<u>\$ 12,016,301</u>	<u>\$ 5,039,823</u>	<u>\$ 10,278,151</u>	<u>\$ (8,444,781)</u>	<u>\$ 29,621,821</u>	<u>\$ 1,322,668</u>

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

Fund Balances - Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Prior to adoption of GASB 54:										
Reserved	\$ 3,245,271	\$ 1,516,159	\$ 1,824,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved and undesignated	24,171,313	23,102,296	26,912,688	-	-	-	-	-	-	-
Subsequent to adoption of GASB 54:										
Nonspendable	-	-	-	1,115,025	958,341	656,848	558,304	491,665	494,730	447,003
Restricted	-	-	-	327,267	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	255,287	165,389	516,506	-	466,088	1,380,036	1,242,770
Unassigned	-	-	-	26,233,637	27,671,353	26,495,559	27,029,101	29,664,303	32,077,856	33,776,487
Total general fund	<u>27,416,584</u>	<u>24,618,455</u>	<u>28,737,142</u>	<u>27,931,216</u>	<u>28,795,083</u>	<u>27,668,913</u>	<u>27,587,405</u>	<u>30,622,056</u>	<u>33,952,622</u>	<u>35,466,260</u>
All other governmental funds:										
Prior to adoption of GASB 54:										
Reserved	60,213,915	56,819,802	62,230,229	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	32,054,329	36,398,024	31,996,398	-	-	-	-	-	-	-
Capital projects funds	87,571,056	78,214,132	85,237,947	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Subsequent to adoption of GASB 54:										
Nonspendable	-	-	-	37,036,839	37,706,861	22,828,476	20,537,450	27,042,236	23,566,267	21,927,221
Restricted	-	-	-	44,754,037	78,326,567	95,387,879	100,501,274	113,004,506	101,826,640	125,302,667
Committed	-	-	-	11,829,074	11,142,045	20,697,026	12,962,745	2,238,475	2,698,694	2,392,685
Assigned	-	-	-	77,460,284	35,180,652	35,455,190	35,147,874	32,138,059	31,998,790	32,769,201
Unassigned	-	-	-	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)	(4,218,596)	(2,301,793)	(626,846)
Total all other governmental funds	<u>179,839,300</u>	<u>171,431,958</u>	<u>179,464,574</u>	<u>168,302,860</u>	<u>158,137,059</u>	<u>169,516,402</u>	<u>163,448,514</u>	<u>170,204,680</u>	<u>157,788,598</u>	<u>181,764,928</u>
Total of all governmental funds	<u>\$ 207,255,884</u>	<u>\$ 196,050,413</u>	<u>\$ 208,201,716</u>	<u>\$ 196,234,076</u>	<u>\$ 186,932,142</u>	<u>\$ 197,185,315</u>	<u>\$ 191,035,919</u>	<u>\$ 200,826,736</u>	<u>\$ 191,741,220</u>	<u>\$ 217,231,188</u>

Source: City of South Bend Comprehensive Annual Financial Reports

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenue</b>										
Taxes	\$ 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	\$ 106,746,367
Licenses, fees and permits	177,329	206,594	192,397	190,943	189,714	177,019	141,565	151,923	224,677	231,260
Fines and forfeits	412,707	423,981	409,775	636,749	334,767	660,841	563,999	454,327	756,781	562,466
Charges for services	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	7,020,575
Intergovernmental	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	29,634,896
Investment earnings	4,962,768	859,135	868,023	1,050,768	1,317,443	762,270	955,376	1,253,242	1,624,527	1,687,888
Other revenues	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	9,703,304
<b>Total revenue</b>	<b>139,717,856</b>	<b>130,932,134</b>	<b>158,342,276</b>	<b>152,877,172</b>	<b>147,379,084</b>	<b>151,152,474</b>	<b>144,489,791</b>	<b>142,719,826</b>	<b>152,669,418</b>	<b>155,586,756</b>
<b>Expenditures</b>										
Current:										
General government	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	14,221,015
Public safety	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	72,010,182
Highways and streets	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	13,600,140
Public works	75,000	-	-	-	-	-	-	-	-	-
Health & welfare	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	15,904,306
Community & economic development	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	20,622,330
Capital outlay	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	17,035,543
Bond Issuance Costs	-	-	-	-	-	-	-	372,432	-	-
Debt service interest	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	4,514,526
Debt service principal	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	16,634,195
<b>Total expenditures</b>	<b>138,022,795</b>	<b>142,962,710</b>	<b>150,758,014</b>	<b>172,397,679</b>	<b>162,460,000</b>	<b>152,860,750</b>	<b>154,300,097</b>	<b>172,658,733</b>	<b>170,976,084</b>	<b>174,542,237</b>
<b>Excess of Revenue Over Expenditures</b>	<b>1,695,061</b>	<b>(12,030,576)</b>	<b>7,584,262</b>	<b>(19,520,507)</b>	<b>(15,080,916)</b>	<b>(1,708,276)</b>	<b>(9,810,306)</b>	<b>(29,938,907)</b>	<b>(18,306,666)</b>	<b>(18,955,481)</b>
Other Financing Sources (Uses)										
Proceeds from debt issuance	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	40,727,816
Premium (discount) on debt issuance	1,626,186	80,950	146,030	26,877	1,236,364	21,576	171,851	1,919,787	-	6,478
Proceeds from refunding	-	7,210,000	5,327,775	38,307,431	13,595,000	3,990,000	-	-	-	-
Payments to refunded bond escrow ac	-	(7,591,171)	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)	-	-
Transfers in	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	29,141,285
Transfers out	(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)	(25,018,102)
Other	-	-	-	-	-	-	28,476	1,235,744	541,081	(412,028)
<b>Total other financing sources (uses)</b>	<b>47,283,964</b>	<b>825,105</b>	<b>4,567,041</b>	<b>7,552,867</b>	<b>9,758,835</b>	<b>11,961,449</b>	<b>7,111,663</b>	<b>39,729,724</b>	<b>9,221,150</b>	<b>44,445,449</b>
<b>Special Item</b>										
Well field contamination settlement	-	4,462,214	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 48,979,025</b>	<b>\$ (6,743,257)</b>	<b>\$ 12,151,303</b>	<b>\$(11,967,640)</b>	<b>\$ (5,322,081)</b>	<b>\$ 10,253,173</b>	<b>\$ (2,698,643)</b>	<b>\$ 9,790,817</b>	<b>\$ (9,085,516)</b>	<b>\$ 25,489,968</b>

Debt service as a percentage of noncapital expenditures	12.10%	17.59%	15.42%	13.84%	12.92%	13.38%	13.53%	11.59%	12.74%	13.26%
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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

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## Revenue Capacity

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

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	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
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%
2016/2017	81,487,640	31,615,462	49,872,178	45,605,926	91.45%	3,432,704	49,038,630	98.33%	12,106,873	24.28%

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).

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years  
(Rate per \$100 of Net Assessed Value)

Tax Year/ Collection Year	City Direct Rates						Overlapping Rates (3)						Grand Total
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)	Total Overlapping	
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
2016/2017	2.8382	0.6473	-	-	0.0313	3.5168	0.6950	1.2049	0.0530	0.3372	0.1822	2.4723	5.9891

(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

Detail of Net Assessed Valuation

(Assessment For the Year 2016 Payable in 2017)

	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	\$ 116,494,800	\$ 26,382,600	\$ 74,498,800	\$ 16,598,800	\$ 788,900	\$ 389,449,000	\$ 624,212,900	
Value of improvements	479,182,300	121,064,600	426,207,800	90,602,400	26,465,600	2,549,596,800	3,693,119,500	
Total value of real estate	595,677,100	147,447,200	500,706,600	107,201,200	27,254,500	2,939,045,800	4,317,332,400	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(234,683,081)	(34,128,403)	(86,691,330)	(30,268,173)	-	(925,920,857)	(1,311,691,844)	
Tax-exempt property	(50,992,150)	(8,680,106)	(28,912,020)	(9,355,400)	-	(364,752,352)	(462,692,028)	
Investment Deduction	-	-	-	-	-	(2,001,600)	(2,001,600)	
Tax increment financing	(55,202,224)	(9,133,628)	(261,653,100)	-	(27,254,500)	(390,413,947)	(743,657,399)	
Tax abatements	(1,008,180)	(201,993)	(14,184,261)	(1,479,055)	-	(21,628,739)	(38,502,228)	
Net value of real estate	253,791,465	95,303,070	109,265,889	66,098,572	-	1,234,328,305	1,758,787,301	75.57%
Gross personal property assessments	30,220,620	9,116,950	184,526,500	3,095,390	6,604,470	405,138,080	638,702,010	
Less: Tax abatements:	(1,899,870)	-	(14,624,036)	-	-	(40,271,210)	(56,795,116)	
Tax-exempt property	(2,152,282)	(173,130)	(4,898,407)	(1,511,410)	-	(88,343,732)	(97,078,961)	
Investment deduction	-	-	-	-	-	(21,151,193)	(21,151,193)	
Net value of personal property	26,168,468	8,943,820	165,004,057	1,583,980	6,604,470	255,371,945	463,676,740	19.92%
Net value of utilities	10,358,690	4,197,050	15,198,720	1,345,760	312,610	73,623,370	105,036,200	4.51%
<b>Total net assessed valuation</b>	<b>\$ 290,318,623</b>	<b>\$ 108,443,940</b>	<b>\$ 289,468,666</b>	<b>\$ 69,028,312</b>	<b>\$ 6,917,080</b>	<b>\$ 1,563,323,620</b>	<b>\$ 2,327,500,241</b>	100.00%
Percentage of Total	12.47%	4.66%	12.44%	2.97%	0.30%	67.17%	100.00%	

Summary:

	Real Property	Personal Property/Utilities	Total	Percent
Total value	\$ 4,317,332,400	\$ 743,738,210	\$ 5,061,070,610	100.00%
Deductions & exemptions	(1,313,693,444)	(21,151,193)	(1,334,844,637)	-26.37%
Tax exempt property	(462,692,028)	(97,078,961)	(559,770,989)	-11.06%
Tax increment financing	(743,657,399)	-	(743,657,399)	-14.69%
Tax abatements	(38,502,228)	(56,795,116)	(95,297,344)	-1.88%
<b>Total net assessed valuation</b>	<b>\$ 1,758,787,301</b>	<b>\$ 568,712,940</b>	<b>\$ 2,327,500,241</b>	45.99%
Percent	75.57%	24.43%	100.00%	

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

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values				Less:	Total Net	(2)	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value	Non-Taxed Property (1)	Taxable Value	City Tax Rate	
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%
2016/2017	4,317,332,400	638,702,010	105,036,200	5,061,070,610	2,733,570,369	2,327,500,241	3.5168	45.99%

(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

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
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%
2016/2017	1,758,787,301	463,676,740	105,036,200	2,327,500,241	2.21%

Source: St. Joseph County Auditor's office

Assessed Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Total Gross Valuation	Deductions (1)	Tax Exempt Property	Tax Increment Financing	Tax Abatements	Net Assessed Valuation
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
2016/2017	5,061,070,610	(1,334,844,637)	(559,770,989)	(743,657,399)	(95,297,344)	2,327,500,241

(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.

2017 Deductions	2014/2015	2015/2016	2016/2017
Homestead Standard Deduction	\$ 814,820,960	\$ 820,420,116	\$ 828,638,094
Supplemental Standard Deduction	368,795,377	375,610,821	400,306,547
Mortgage Deduction	44,358,618	42,985,922	40,717,260
Veteran's Deduction	11,027,128	11,784,608	11,986,495
Age 65 and Over Deduction	25,146,428	24,608,600	23,876,138
Energy Systems Deduction	403,400	388,200	396,600
Blind & Disabled Deduction	5,714,123	5,643,351	5,646,155
Fertilizer/Pesticide Deduction	-	-	114,555
Heritage Barn Deduction	-	-	10,000
Investment Deduction	22,657,069	24,479,572	23,152,793
<b>Total</b>	<b>\$ 1,292,923,103</b>	<b>\$ 1,305,921,190</b>	<b>\$ 1,334,844,637</b>

Source: St. Joseph County Auditor's Office Abstract

Property Tax Collections - Cash Basis

Last Ten Fiscal Years

Fund Name	Fund Number	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
General Fund	101	\$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	\$39,568,076
Excess Levy	103	-	-	-	-	-	-	3,648	-	-	-
Parks & Recreation	201	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	9,033,731
College Football Hall of Fame Debt Service	313	360,682	2,362,057	1,488,453	1,549,954	1,133,205	1,268,179	497,768	906,263	1,361,512	820,071
River West TIF District (1)	324	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	17,259,902
Cumulative Capital Development	406	291,600	1,420,833	587,063	540,454	517,710	463,331	430,786	428,727	440,887	436,823
South Bend Central Development Area TIF (1)	420	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	1,785	358,844	860,049	431,085	422,715	493,608	580,987	402,911	453,503	378,994
Central Medical Service Area TIF District (1)	426	2,793	919,174	3,524,962	1,704,238	1,606,915	1,221,676	851,211	-	-	-
River East (Northeast) TIF District	429	-	22,191	195,400	715,063	1,351,048	841,627	1,568,240	2,421,308	2,348,608	2,630,887
Southside Development Area TIF District	430	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	2,365,692
Erskine Commons TIF District (5)	431	10	1,240,184	5,978,592	784,373	-	-	-	-	-	-
Erskine Village TIF District (5)	432	2,713	1,531,403	3,759,287	1,603,182	-	1,311,129	9,175	19,183	-	-
Douglas Road TIF District	435	-	125,294	460,760	306,053	285,713	323,939	321,895	270,758	345,262	379,255
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	4,262,917
Airport Urban Enterprise	454	-	-	301,430	123,165	111,721	-	-	-	-	-
Fire Department Employees Pension (4)	701	462,375	1,437,539	(5,867)	-	-	-	-	-	-	-
Police Department Employees Pension (4)	702	425,760	1,609,905	(9,479)	-	-	-	-	-	-	-
<b>Total</b>		<b>\$18,631,151</b>	<b>\$119,144,153</b>	<b>\$ 98,267,940</b>	<b>\$72,962,173</b>	<b>\$72,904,530</b>	<b>\$69,980,289</b>	<b>\$72,037,669</b>	<b>\$70,914,834</b>	<b>\$76,708,415</b>	<b>\$77,136,348</b>

(1) 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 and Village TIF District funds were released and outstanding bonds were paid off.

Source - City of South Bend Accounting Records

## City of South Bend, Indiana

# 2017 Circuit Breaker Property Tax Cap Credits

December 31, 2017

Taxing Unit Name	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total Credits
<b>City of South Bend (101,168 population)</b>					
South Bend Civil City	\$ 7,795,561	\$ 13,683,497	\$ 10,908,442	\$33,569	\$ 32,421,069
TIF - SB So. #1 Centre	3,366	37,501	1,007,625	-	1,048,492
TIF - Douglas Road EDA	-	2,898	152,809	-	155,707
TIF - River East Clay	-	-	21,862	-	21,862
TIF - River West German	2,911	50,200	4,770,598	-	4,823,709
TIF - SB West Washington	6,354	42,175	139,492	83	188,104
TIF - SB So. #1 Portage	4,127	49,553	49,442	-	103,122
TIF - River West Portage	14,162	415,243	2,977,673	-	3,407,078
TIF - River West Warren	-	-	528,591	-	528,591
TIF - River East Portage	96,486	2,784,255	695,750	-	3,576,491
<b>Total Credits</b>	<b>\$ 7,922,967</b>	<b>\$ 17,065,322</b>	<b>\$ 21,252,284</b>	<b>\$33,652</b>	<b>\$ 46,274,225</b>
Per Capita Credits	78.31	168.68	210.07	0.33	457.40
Percent of Total	17.12%	36.88%	45.93%	0.07%	100.00%

### Selected Benchmark Local Governments:

Local Unit	Total Credits	2010 Population	Per Capita Credits
South Bend Civil City	\$ 32,421,068	101,168	\$ 320
Anderson Civil City	11,856,221	56,120	211
East Chicago Civil City	5,216,391	29,698	176
Elkhart Civil City	11,998,699	50,949	236
Evansville Civil City	10,967,158	117,429	93
Fort Wayne Civil City	19,385,574	253,691	76
Gary Civil City	39,394,467	80,294	491
Goshen Civil City	4,359,043	31,719	137
Hammond Civil City	9,340,181	80,830	116
Jeffersonville Civil City	3,646,336	44,953	81
Kokomo Civil City	9,936,873	45,468	219
Lafayette Civil City	1,868,196	61,140	31
LaPorte Civil City	2,630,116	22,053	119
Mishawka Civil City	4,729,491	48,252	98
Muncie Civil City	16,780,487	70,085	239
Noblesville Civil City	4,284,214	51,969	82
Saint Joseph County	7,838,731	266,931	29
South Bend School Corporation	6,981,354	101,168	69
Terre Haute Civil City	12,283,546	60,785	202

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](http://www.iga.in.gov)). County Property Tax Studies, Saint Joseph County, Property Tax Changes in Saint Joseph County between 2016 and 2017. Prepared by the Legislative Services Agency, October 2016. ([www.iga.in.gov](http://www.iga.in.gov)). U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>).

Principal Property Taxpayers - Current and Nine Years Ago

December 31, 2017

Taxpayer	Type of Business	2017			2008		
		Net Assessed Value (1)	Rank	Percent of Total	Net Assessed Value (2)	Rank	Percent of Total
Indiana Michigan Power Company - AEP	Utility	\$ 50,290,160	1	2.16%	\$ 20,498,400	6	0.81%
University of Notre Dame	Higher Education	43,287,836	2	1.86%	-		
Edward Rose of Indiana	Apartments and Real Estate	37,011,700	3	1.59%	83,866,500	1	3.33%
Honeywell International, Inc.	Airplane and Auto Parts	35,957,771	4	1.54%	-		
Steel Warehouse Co., Inc./Lock Joint Tube LLC	Steel Processing	33,327,984	5	1.43%			
Indiana Bell - AT&T Inc.	Telecommunications	33,185,910	6	1.43%	-		
JVE Investments LLC/The Tire Rack	Automotive Parts	24,703,590	7	1.06%	-		
Federal-Mogul Powertrain Systems	Automotive Parts	23,751,180	8	1.02%	-		
NIPSCO	Utility	22,260,990	9	0.96%	-		
Eddy Property Development, Inc./South Bend Clinic	Health Care	21,728,410	10	0.93%			
Castle Point Apartments	Apartments & Real Estate	-			47,934,500	2	1.90%
Memorial Health Systems, Inc.	Health Care	-			34,070,700	3	1.35%
Park Jefferson Realty	Apartments and Real Estate	-			27,273,300	4	1.08%
Wal Mart	Retail Store	-			24,967,700	5	0.99%
1st Source Bank	Financial Institution	-			18,058,100	7	0.72%
Meijer	Retail Store	-			16,817,800	8	0.67%
Marriott Hotel	Hotel	-			15,565,600	9	0.62%
Maple Lane Apartments	Apartments and Real Estate	-			15,033,500	10	0.60%
<b>Total Net Assessed Value - Ten Largest Taxpayers</b>		<b>\$ 325,505,531</b>		13.99%	<b>\$ 304,086,100</b>		12.07%
<b>Total Net Assessed Value (3)</b>		<b>\$2,327,500,241</b>		100.00%	<b>\$2,520,098,365</b>		100.00%

Source:

(1) Crowe Horwath LLP

(2) 2008 Comprehensive Annual Financial Report

(3) St. Joseph County Auditor

Distribution Year	County Economic Development Income Tax (EDIT) Revenue						
	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
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
2017	0.40%	26,149,949	10.18%	10,600,122	10.48%	40.54%	10,600,122
Total		<b>\$ 197,980,088</b>		<b>\$ 78,907,919</b>		39.86%	<b>\$ 79,652,078</b>

(1) This tax was first enacted as of July 1, 1995 at the rate of 0.1% of City residents' adjusted gross income. The rate was increased to 0.2% effective July 1, 1997.

(2) The CEDIT tax rate for 2010 and subsequent years was increased by City of South Bend Common Council and the Saint Joseph County Common Council.

(3) 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

Distribution Year	County Option Income Tax (COIT) Revenue						
	COIT Tax Rate (1)	Total County COIT Distributions	Rate of Growth	South Bend COIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
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
2017	0.60%	<u>26,149,949</u>	-6.27%	<u>10,459,265</u>	10.63%	40.00%	<u>10,459,265</u>
Total		<b><u>\$ 243,939,051</u></b>		<b><u>\$ 82,607,205</u></b>		33.86%	<b><u>\$ 83,118,124</u></b>

(1) This tax was first enacted as of July 1, 1997 at the rate of 0.2% of City residents' adjusted gross income. The COIT rate increased 0.1% each year until it reached 0.6% as of July 1, 2001. The above collections/distribution amounts are net of the additional homestead credits that accompanied the passage of this income tax.

(2) 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

Public Safety Local Option Income Tax (PS LOIT) Revenue

Distribution Year		PS LOIT Tax Rate	Total County LOIT Distributions	Rate of Growth	South Bend LOIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2010	(1)	0.25%	\$ 13,846,267	100.00%	\$ 6,078,454	100.00%	43.90%	\$ 6,078,454
2011	(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
2017		0.25%	<u>15,673,247</u>	10.08%	<u>7,467,618</u>	9.96%	47.65%	<u>7,467,618</u>
Total			<b><u>\$ 105,443,147</u></b>		<b><u>\$ 50,425,760</u></b>		47.82%	<b><u>\$ 50,975,057</u></b>

(1) This tax was effective in October 2009 at the rate of 0.25% of City residents' adjusted gross income. The measure is being used to support the Public Safety operations consisting of the Police Department and the Fire Department, to keep the staffing levels at their full complement.

(2) 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

Total County Income Tax Distributions by Taxing Unit

Last Ten Years

Unit of Government	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total County Certified Distribution	\$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	\$37,640,869
Less: Homestead Credit (1)	(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)	(6,319,453)
Total Distributive Shares	<b>\$20,689,958</b>	<b>\$26,973,887</b>	<b>\$ 25,147,806</b>	<b>\$19,907,430</b>	<b>\$22,536,457</b>	<b>\$22,923,956</b>	<b>\$25,275,541</b>	<b>\$26,435,155</b>	<b>\$27,898,910</b>	<b>\$31,321,416</b>
Distributive Shares/Total County Distributic	63.52%	77.51%	75.68%	72.94%	75.38%	76.67%	78.15%	80.20%	81.65%	83.21%
<b>Amount</b>										
St. Joseph County	\$ 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	\$10,908,099
Townships	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	2,396,851
City of South Bend - Civil City	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	10,267,284
City of South Bend - Redevelopment	116,097	203,918	178,046	154,363	184,790	135,330	161,972	104,972	178,067	191,981
Other Cities & Towns	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	4,118,009
Libraries	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	2,541,672
Special Districts	647,285	882,111	798,374	581,071	651,749	675,474	741,455	770,148	803,837	897,520
Total	<b>\$20,689,958</b>	<b>\$26,973,887</b>	<b>\$ 25,147,806</b>	<b>\$19,907,430</b>	<b>\$22,536,457</b>	<b>\$22,923,956</b>	<b>\$25,275,541</b>	<b>\$26,435,155</b>	<b>\$27,898,910</b>	<b>\$31,321,416</b>
<b>Percentage of Distribution</b>										
St. Joseph County	42.65%	38.40%	39.05%	37.09%	35.44%	36.91%	36.85%	36.36%	35.78%	34.83%
Townships	3.96%	4.38%	4.65%	5.30%	5.52%	4.16%	4.23%	5.83%	6.08%	7.65%
City of South Bend - Civil City	30.29%	32.43%	30.53%	31.67%	33.33%	33.64%	33.57%	33.12%	33.25%	32.78%
City of South Bend - Redevelopment	0.56%	0.76%	0.71%	0.78%	0.82%	0.59%	0.64%	0.40%	0.64%	0.61%
Other Cities & Towns	11.44%	13.32%	13.77%	13.40%	13.65%	13.68%	13.37%	13.27%	13.20%	13.15%
Libraries	7.96%	7.44%	8.12%	8.85%	8.34%	8.07%	8.41%	8.11%	8.17%	8.11%
Special Districts	3.14%	3.27%	3.17%	2.91%	2.90%	2.95%	2.93%	2.91%	2.88%	2.87%
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

Ten Largest Water Customers

December 31, 2017

Name	2017 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	\$ 141,966	0.93%	103,068
Memorial Hospital of South Bend	100,183	0.66%	79,065
South Bend Park Department	92,285	0.60%	79,441
Irish Hills Apartments	88,440	0.58%	73,105
Honeywell Aerospace Co	68,378	0.45%	63,797
Indiana University South Bend	68,355	0.45%	42,797
Indian Springs Apartments and Townhouses	62,244	0.41%	47,054
Housing Authority of South Bend	55,049	0.36%	34,054
St Joseph County Maintenance Department	45,467	0.30%	50,566
Aramark Uniform Services	44,475	0.29%	56,848
<b>Total of Ten Largest Water Customers</b>	<b>\$ 766,842</b>	5.02%	
<b>Total for Operating Revenue for Water Works</b>	<b>\$ 15,283,325</b>	100.00%	

\*Hundreds of Cubic Feet

Source: City of South Bend Water Utility

Ten Largest Sewage Works Customers

December 31, 2017

Name	2017 Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/N TEK Plant	\$ 2,142,320	5.52%	744,181
University of Notre Dame	1,348,806	3.48%	536,302
Noble Americas Ethanol	582,602	1.50%	178,925
South Bend Community School Corp.	371,560	0.96%	67,314
Memorial Hospital	366,790	0.95%	67,480
Honeywell Aerospace Co	308,631	0.80%	59,508
Irish Hills Apartments	224,000	0.58%	53,271
Indiana Springs Apartments and Townhomes	223,942	0.58%	38,754
Indiana University of South Bend	206,746	0.53%	29,320
Aramark Uniform Services	188,945	0.49%	56,848
Total of Ten Largest Sewer Customers	<b>\$ 5,964,342</b>	15.37%	
Total Operating Revenue for Wastewater	<b>\$ 38,794,212</b>		

\*Hundreds of Cubic Feet

Source: City of South Bend Sewage Works Utility

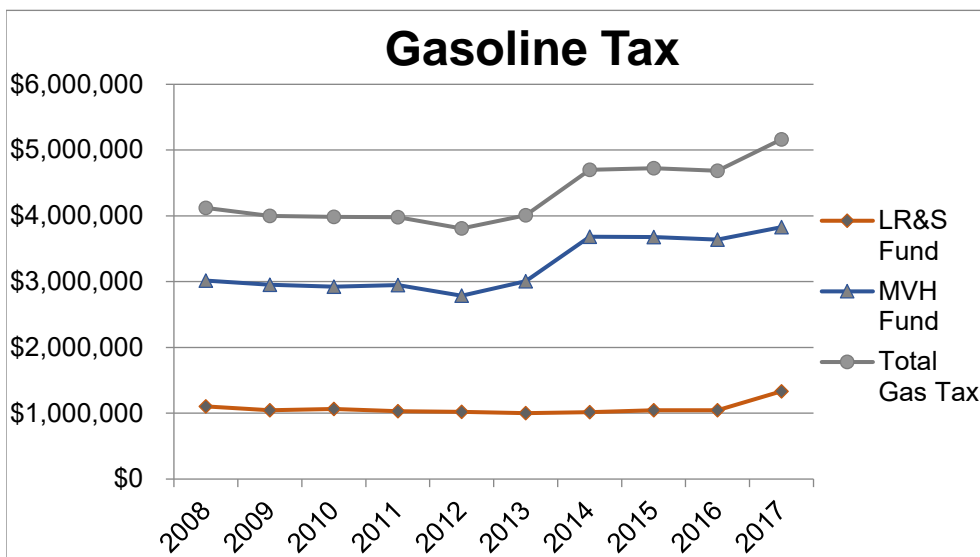
Gasoline Tax Collections - Cash Basis

Last Ten Fiscal Years

Year	LR&S Fund	MVH Fund	Total Gas Tax	% Change
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%
2017	1,334,565	3,829,167	5,163,732	10.17%

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**

**Wheel and Excise Surtax Collections**

**Cash Basis**

**Last Ten Years**

Year	2017 Wheel & Excise Tax	% Change
2008	\$ 2,040,751	3.80%
2009	1,893,982	-7.19%
2010	1,975,397	4.30%
2011	1,863,283	-5.68%
2012	1,795,538	-3.64%
2013	2,045,213	13.91%
2014	1,637,707	-19.92%
2015	2,135,441	30.39%
2016	2,006,547	-6.04%
2017	2,211,731	10.23%

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.

Source: City of South Bend Accounting Records

## Hotel/Motel Tax Revenue - Cash Basis - City Distributions

Last Ten Fiscal Years

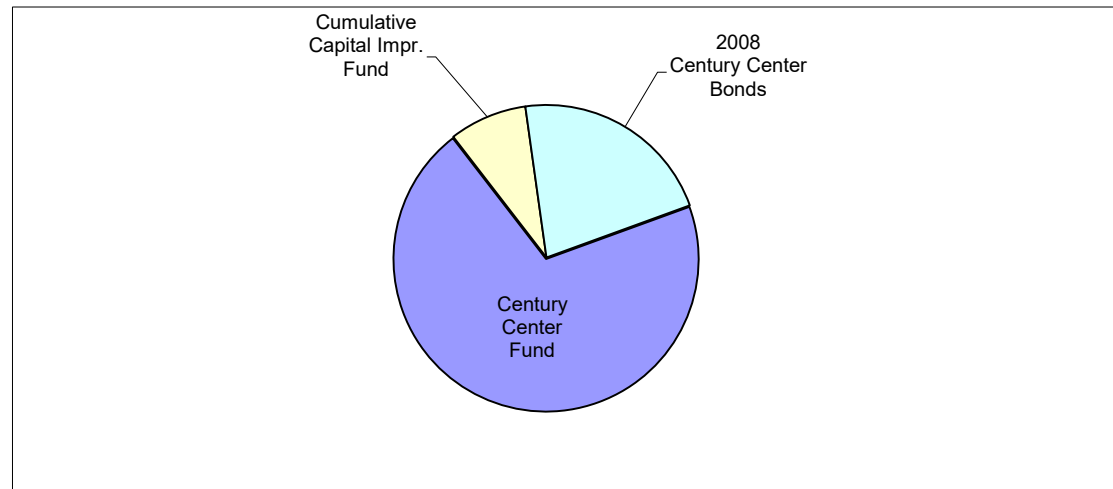
Year	-----Paid to City of South Bend-----					-----Direct Payments-----					% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Subtotal: Paid to City of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other Century Center Projects	Total Hotel/Motel Tax		
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%	
2017	1,275,000	-	150,000	394,000	1,819,000	-	-	546,965	2,365,965	-8.05%	

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 2017 to all organizations was \$4,416,002. The cash balance in the County Hotel/Motel Tax Fund was \$5,453,192 at December 31, 2017.

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



Professional Sports Development Area (PSDA) Tax - Cash Basis

Last Ten Fiscal Years

Year	Total PSDA Tax	% Change
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%
2017	409,659	-46.13%

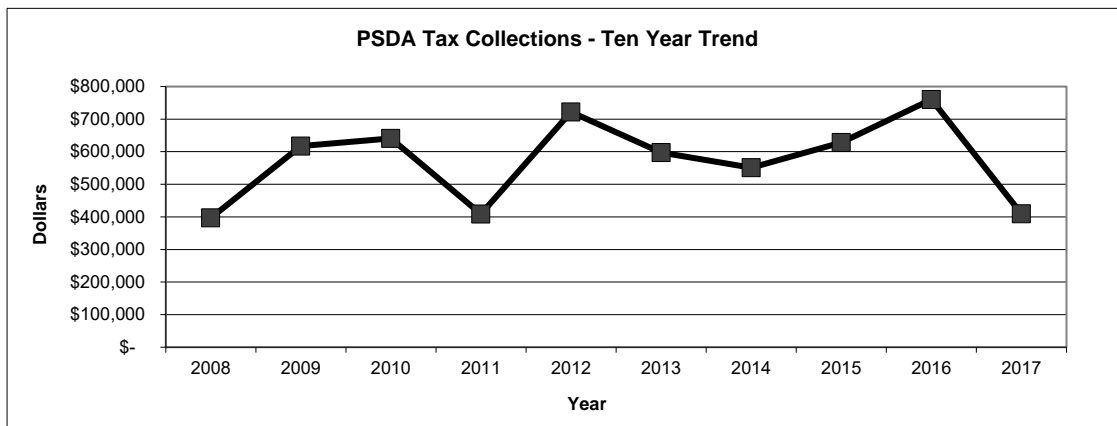
The Professional Sports Development Area (PSDA) tax is a combination of Indiana state income tax withholding, local income tax withholding and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski 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 ended in 2017.

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

### Cable Television Franchise Fee Collections - Cash Basis

Last Ten Years

Year	Comcast	AT&T	Total Franchise Fees	% Change
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%
2017	771,128	156,394	927,522	-7.82%

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 filed with the Indiana Utility Regulatory Commission by March 1st of the following year.

Source: City of South Bend Accounting Records

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## Debt Capacity

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

**Computation of Legal Debt Margin**

**December 31, 2017**

**Civil City**

Net Assessed Valuation (2016 pay 2017) of Taxable Property in South Bend	\$ 2,327,500,241
Debt limit: 2% of one third thereof	15,516,668
Less Bonds subject to limitation:	
Economic Development Income Tax Bonds of 2015 (Parks Bond)	(5,190,000)
Issuance Margin	<b>\$ 10,326,668</b>
Percentage of Debt to Debt Limit	33.45%

**Redevelopment District**

Net Assessed Valuation (2016 pay 2017) of Taxable Property in South Bend	\$ 2,327,500,241
Debt limit: 2% of one third thereof	15,516,668
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2014	(1,795,000)
Issuance Margin	<b>\$ 13,721,668</b>
Percentage of Debt to Debt Limit	11.57%

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.

Legal Debt Margin Information

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Civil City</b>										
Debt Limit (1)	\$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	\$15,516,668
Total Net Debt Applicable To Limit	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	5,190,000
Debt Margin	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	10,326,668
Percentage of Debt Limit	30.77%	30.91%	60.22%	57.50%	49.04%	40.66%	33.74%	48.25%	38.44%	33.45%
<b>Redevelopment District</b>										
Debt Limit (1)	\$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	\$15,516,668
Total Net Debt Applicable To Limit	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	1,795,000
Debt Margin	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	13,721,668
Percentage of Debt Limit	26.71%	28.16%	28.83%	26.36%	26.19%	21.86%	20.43%	17.35%	14.56%	11.57%

(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.

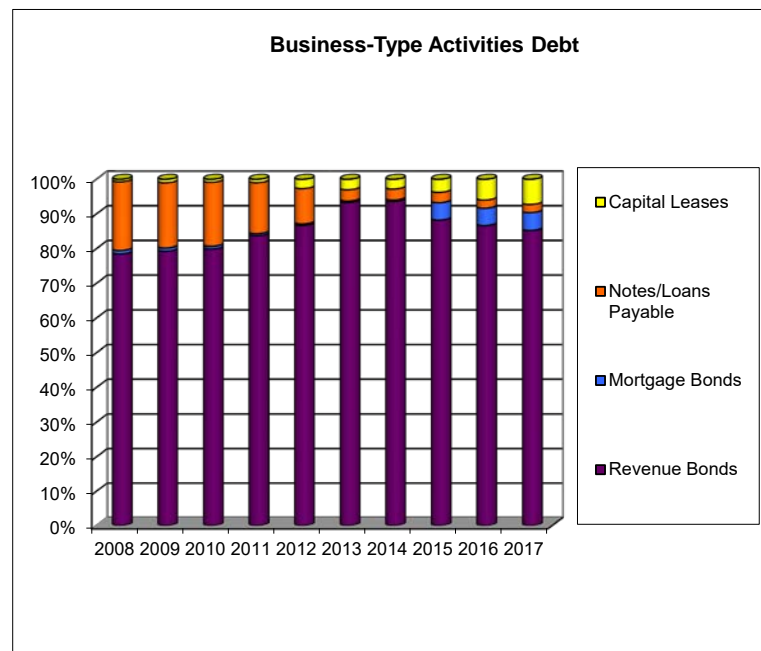
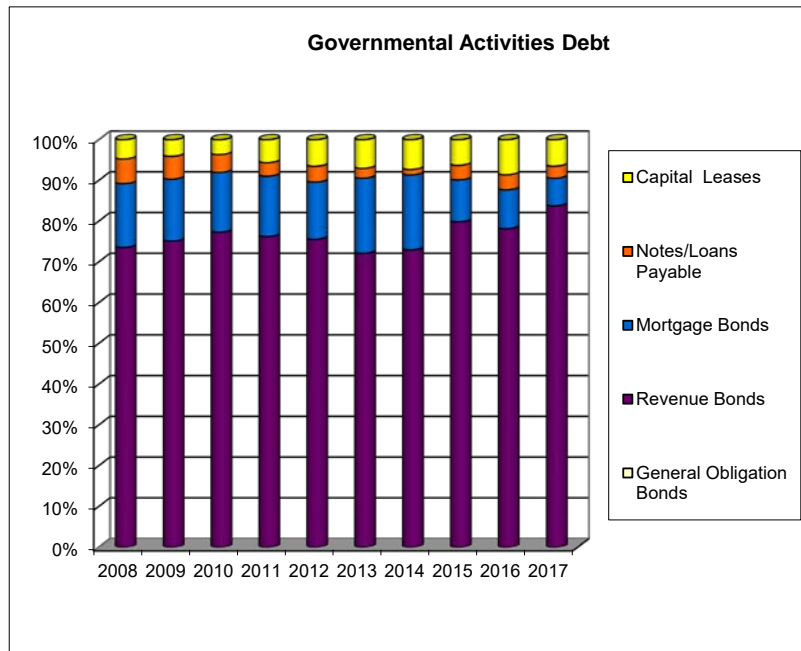
Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population (1)	Debt Per Capita	South Bend Estimated Personal Income (2)	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
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%
2017	-	125,969,009	10,224,972	4,437,115	9,795,612	87,219,814	5,255,484	2,398,821	7,456,169	252,756,996	101,168	2,498	3,492,622,864	7.24%

Percent of Total I      0.00%      49.84%      4.05%      1.76%      3.88%      34.51%      2.08%      0.95%      2.95%      100.00%

Sources: City of South Bend Comprehensive Annual Financial Reports

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2017 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, 2012-2016 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)



Computation of Direct and Overlapping Debt

December 31, 2017

	Gross Debt	Percentage Applicable to South Bend	Amount Applicable to South Bend	Debt Per Capita	Ratio of Debt/ Net Assessed Value	Ratio of Debt/ Personal Income
<b>Direct Debt:</b>						
<b>City of South Bend</b>						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 125,969,009	100.00%	\$ 125,969,009			
Mortgage Bonds - Governmental Activities	10,224,972	100.00%	10,224,972			
Notes Payable - Governmental Activities	4,437,115	100.00%	4,437,115			
Capital Leases - Governmental Activities	9,795,612	100.00%	<u>9,795,612</u>			
Total Direct Debt and Lease Obligation Debt			<u>150,426,708</u>	<u>\$ 1,487</u>	6.46%	3.20%
<b>Overlapping Debt (1)</b>						
South Bend Community School Corporation	\$ 98,390,369	52.85%	\$ 51,999,309			
South Bend Public Transport	\$ 375,000	62.41%	234,038			
St. Joseph County Public Library	2,465,000	49.51%	1,220,422			
St. Joseph County Airport Authority	10,800,000	28.17%	3,042,360			
St. Joseph County	48,174,788	28.17%	13,570,838			
St. Joseph County Solid Waste Management	445,090	28.17%	125,382			
Penn-Harris-Madison School Corporation	35,638,708	2.67%	955,117			
Mishawaka-Penn-Harris Public Library	3,525,000	2.19%	<u>77,198</u>			
Total Overlapping and Underlying Direct Debt and Lease Obligations			<u>71,224,664</u>	<u>\$ 704</u>	3.06%	1.51%
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 221,651,372</u>	<u>\$ 2,191</u>	9.52%	4.71%
<b>Ratio Factors</b>						
Net Assessed Valuation (2016 payable 2017)	2,327,500,241					
Population - 2010 Census	101,168	(2)				
South Bend Median Household Income 2016	46,489	(3)				
Estimated South Bend Total Personal Income (2 x 3)	4,703,199,152					

(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/>). 2017 information not available.

(3) U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)

**City of South Bend, Indiana**

**Ratio of Annual Debt Service Expenditures For  
General Obligation Bonded Debt to Total  
Governmental Fund Expenditures**

**Last Ten Fiscal Years**

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
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%
2017	-	-	-	174,542,237	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**

**Ratio of Net General Obligation Bonded Debt to Net Assessed Valuation and  
Net Bonded Debt Per Capita**

**Last Ten Fiscal 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
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%	-
2016/2017	101,168	2,327,500,241	-	-	-	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/>). 2017 information not available.

Saint 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
2018	\$ 4,845,475	\$ 150,000	\$ 394,000	\$ 46,606	\$ 590,606	\$ 4,254,869	820.42%
2019	4,893,930	-	395,000	162,702	557,702	4,336,228	877.52%
2020	4,942,869	-	396,500	280,090	676,590	4,266,279	730.56%
2021	4,992,298	-	397,000	285,614	682,614	4,309,684	731.35%
2022	5,042,221	-	396,500	291,274	687,774	4,354,447	733.12%
2023	5,092,643	-	395,000	297,175	692,175	4,400,468	735.74%
2024	5,143,569	-	394,500	303,221	697,721	4,445,848	737.20%
2025	5,195,005	-	396,000	309,315	705,315	4,489,690	736.55%
2026	5,246,955	-	283,500	315,561	599,061	4,647,894	875.86%
2027	5,299,425	-	84,500	321,964	406,464	4,892,961	1303.79%
2028	5,352,419	-	-	328,529	328,529	5,023,890	1629.21%
2029	5,405,943	-	-	335,259	335,259	5,070,684	1612.47%
2030	5,460,003	-	-	342,159	342,159	5,117,844	1595.75%
2031	5,514,603	-	-	349,334	349,334	5,165,269	1578.60%
2032	5,569,749	-	-	176,508	176,508	5,393,241	3155.52%
2033	5,625,446	-	-	-	-	5,625,446	n/a
<b>Total</b>	<b>\$ 83,622,551</b>	<b>\$ 150,000</b>	<b>\$ 3,532,500</b>	<b>\$ 4,145,311</b>	<b>\$ 7,827,811</b>	<b>\$ 75,794,740</b>	

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.

Schedule of Revenue Bond Coverage  
Water Utility Bonds

Last Ten Years

Year	Gross		Net Revenue	Debt Service Requirements			Debt Coverage
	Operating Revenue	Operating Expenses (1)	Available for Debt Service	Principal	Interest	Total	
2008	\$13,343,210	\$ 8,528,933	\$ 4,814,277	\$2,908,014	\$ 888,199	\$3,796,213	126.82%
2009	13,471,890	8,838,405	4,633,485	2,481,871	754,108	3,235,979	143.19%
2010	13,513,995	8,560,390	4,953,605	2,605,840	937,293	3,543,133	139.81%
2011	14,032,074	9,301,552	4,730,522	2,729,925	823,265	3,553,190	133.13%
2012	14,190,243	9,021,274	5,168,969	821,847	823,944	1,645,791	314.07%
2013	13,783,701	10,665,913	3,117,788	1,241,768	809,673	2,051,441	151.98%
2014	14,373,176	10,105,709	4,267,467	1,251,588	769,025	2,020,613	211.20%
2015	14,204,285	10,651,321	3,552,964	1,319,285	732,394	2,051,679	173.17%
2016	15,091,372	12,081,699	3,009,673	1,077,725	623,226	1,700,951	176.94%
2017	15,283,325	11,421,026	3,862,299	1,606,652	623,909	2,230,561	173.15%

(1) Operating expenses exclude depreciation.

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

Source - City of South Bend Comprehensive Annual Financial Report.

Schedule of Revenue Bond Coverage  
Wastewater Utility Bonds

Last Ten Years

Year		Gross		Net Revenue	Debt Service Requirements			Debt Coverage
		Operating Revenue	Operating Expenses (1)	Available for Debt Service	Principal	Interest	Total	
2008	(2)	\$ 22,941,734	\$ 14,079,734	\$ 8,862,000	\$3,701,524	\$ 2,647,324	\$ 6,348,848	139.58%
2009		24,313,147	17,504,825	6,808,322	3,130,000	2,557,940	5,687,940	119.70%
2010		25,444,404	12,193,363	13,251,041	3,385,205	2,314,275	5,699,480	232.50%
2011		29,023,547	14,869,660	14,153,887	3,867,584	2,737,027	6,604,611	214.30%
2012		30,963,483	13,777,728	17,185,755	4,736,450	3,489,057	8,225,507	208.93%
2013		31,926,078	11,526,554	20,399,524	5,080,425	3,354,156	8,434,581	241.86%
2014		34,009,117	14,313,967	19,695,150	6,320,626	3,376,045	9,696,671	203.11%
2015	(3)	36,635,501	13,557,598	23,077,903	4,691,336	3,419,351	8,110,687	284.54%
2016		39,061,562	16,920,370	22,141,192	7,522,453	2,342,132	9,864,586	224.45%
2017		38,794,212	22,942,677	15,851,535	7,666,400	2,197,813	9,864,213	160.70%

(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

Municipal Sewage Works

Annual Wastewater Flow Data

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capacity (MGD)	48	48	48	48	48	48	48	48	48	48
Average Daily Flow	37.80	38.42	30.86	35.80	31.77	30.69	32.00	30.20	43.87	35.80
Peak Flow	75.00	68.80	62.00	72.50	63.70	62.50	68.50	57.70	67.80	62.40
Annual Flow (MG)	13,835	14,024	11,264	13,068	11,596	11,203	11,677	11,023	16,014	13,067

Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
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
2017	40,543

Source: City of South Bend Environmental Services Department

**City of South Bend, Indiana**

**Statement of City-Owned Utility Debt**

**December 31, 2017**

**South Bend Municipal Sewage Works**

Sewage Works State Revolving Fund (SRF) Loan of 2009	\$	2,087,171
Sewage Works Revenue Bonds of 2010		6,750,000
Sewage Works Revenue Bonds of 2011		16,400,000
Sewage Works Revenue Bonds of 2012		19,830,000
Sewage Works Revenue Bonds of 2013 A		6,095,000
Sewage Works Refunding Revenue Bonds of 2015		<u>22,435,000</u>
Total Sewage Utility Debt		<u>73,597,171</u>

**South Bend Municipal Waterworks**

Waterworks Revenue Bonds of 2009, Series A		
State Revolving Fund (SRF) Loan	\$	311,650
Waterworks Revenue Bonds of 2009, Series B		
Indiana Bond Bank		4,085,000
Waterworks Revenue Bonds of 2012		2,005,000
Waterworks Revenue Refunding Bonds of 2012, Series B		6,570,000
Waterworks Refunding Bonds of 2016		<u>2,985,000</u>
Total Water Utility Debt		<u>15,956,650</u>
Total Utility Debt	<b>\$</b>	<b><u>89,553,821</u></b>

Source: City of South Bend Finance Department

Estimated Debt Service Coverage Calculation of Sewage Works

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December 31, 2017

Operating Revenues	\$ 38,794,212
Less: Operation and Maintenance Expenses (Net of Depreciation)	<u>(22,942,677)</u>
Net Revenues Available for Debt Service	15,851,535
Estimated Combined Annual Debt Service	<u>9,864,213</u>
Coverage - \$	<u><b>\$ 5,987,322</b></u>
Coverage - %	160.70%

## Estimated Debt Service Coverage Calculation of Water Utility

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**December 31, 2017**

Operating Revenues	\$	15,283,325
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(11,421,026)</u>
Net Revenues Available for Debt Service		3,862,299
Estimated Combined Maximum Annual Debt Service		<u>2,230,561</u>
Coverage - \$	<b>\$</b>	<b><u>1,631,738</u></b>
Coverage - %		173.15%

Projected City of South Bend COIT Revenue

0.6% 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
2018	\$ 31,321,416	33.39%	\$ 10,459,265
2019	31,947,844	33.39%	10,668,450
2020	32,586,801	33.39%	10,881,819
2021	33,238,537	33.39%	11,099,456
2022	33,903,308	33.39%	11,321,445
2023	34,581,374	33.39%	11,547,874
2024	35,273,002	33.39%	11,778,831
2025	35,978,462	33.39%	12,014,408
2026	36,698,031	33.39%	12,254,696
2027	37,431,992	33.39%	12,499,790
		Total	<b>\$ 114,526,034</b>

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)

Projected City of South Bend CEDIT Revenue

0.4% 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
2018	\$ 26,149,949	40.54%	\$ 10,600,122
2019	26,672,948	40.54%	10,812,124
2020	27,206,407	40.54%	11,028,367
2021	27,750,535	40.54%	11,248,934
2022	28,305,546	40.54%	11,473,913
2023	28,871,657	40.54%	11,703,391
2024	29,449,090	40.54%	11,937,459
2025	30,038,072	40.54%	12,176,208
2026	30,638,833	40.54%	12,419,732
2027	31,251,610	40.54%	12,668,127
		Total	<b>\$ 116,068,378</b>

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)

Projected City of South Bend PS LOIT Revenue

**0.25% PS LOIT Tax Rate  
Levy is used to Distribute CEDIT**

Year of Collection	St. Joseph County Projected Distribution	Projected PS LOIT	Projected PS LOIT Amount Available For Debt Service
2018	\$ 15,673,247	43.33%	\$ 6,791,160
2019	15,986,712	43.33%	6,926,983
2020	16,306,446	43.33%	7,065,523
2021	16,632,575	43.33%	7,206,833
2022	16,965,227	43.33%	7,350,970
2023	17,304,531	43.33%	7,497,989
2024	17,650,622	43.33%	7,647,949
2025	18,003,634	43.33%	7,800,908
2026	18,363,707	43.33%	7,956,926
2027	18,730,981	43.33%	8,116,065
		Total	<b>\$ 74,361,307</b>

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)

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
2018	\$ 10,668,450	\$ 714,070	\$ 671,775	\$ 1,564,520	\$ 395,730	\$ 3,346,095	\$ 7,322,355	318.83%
2019	10,881,819	353,970	671,144	1,557,920	398,830	2,981,864	7,899,955	364.93%
2020	11,099,456	-	672,500	1,555,880	396,705	2,625,085	8,474,371	422.82%
2021	11,321,445	-	336,600	1,566,750	399,355	2,302,705	9,018,740	491.66%
2022	11,547,874	-	-	1,555,000	396,780	1,951,780	9,596,094	591.66%
2023	11,778,831	-	-	779,625	398,980	1,178,605	10,600,226	999.39%
2024	12,014,408	-	-	-	406,543	406,543	11,607,865	2955.26%
2025	12,254,696	-	-	-	411,493	411,493	11,843,203	2978.11%
2026	12,499,790	-	-	-	410,643	410,643	12,089,147	3043.96%
2027	12,749,786	-	-	-	414,149	414,149	12,335,637	3078.55%
2028	13,004,781	-	-	-	421,605	421,605	12,583,176	3084.59%
2029	13,264,877	-	-	-	422,742	422,742	12,842,135	3137.82%
2030	13,530,175	-	-	-	422,742	422,742	13,107,433	3200.57%
2031	13,800,778	-	-	-	427,550	427,550	13,373,228	3227.87%
2032	14,076,794	-	-	-	431,254	431,254	13,645,540	3264.15%
2033	14,358,329	-	-	-	433,925	433,925	13,924,404	3308.94%
2034	14,645,496	-	-	-	433,925	433,925	14,211,571	3375.12%
<b>Total</b>	<b>\$ 213,497,784</b>	<b>\$ 1,068,040</b>	<b>\$ 2,352,019</b>	<b>\$ 8,579,695</b>	<b>\$ 7,022,951</b>	<b>\$ 19,022,705</b>	<b>\$ 194,475,079</b>	<b>1122.33%</b>

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

Statement of Estimated Cash Flow and Debt Service Coverage (CEDIT)

Year	Projected City of South Bend CEDIT Revenues	2014 St. Joseph County PSAP Revenue Bond	2015 Parks/CEDIT Bond	Total Lease Payments	Estimated Excess Funds	Estimated Coverage
2018	\$ 10,812,124	\$ 198,966	\$ 379,107	\$ 578,073	\$ 10,234,051	1870.37%
2019	11,028,367	199,242	382,732	581,974	10,446,393	1894.99%
2020	11,248,934	199,460	381,132	580,592	10,668,343	1937.49%
2021	11,473,913	199,271	374,382	573,653	10,900,260	2000.15%
2022	11,703,391	199,423	372,557	571,980	11,131,411	2046.12%
2023	11,937,459	199,423	375,582	575,005	11,362,454	2076.06%
2024	12,176,208	199,314	368,382	567,696	11,608,512	2144.84%
2025	12,419,732	154,405	381,032	535,437	11,884,295	2319.55%
2026	12,668,127	155,363	373,232	528,595	12,139,532	2396.57%
2027	12,921,490	154,724	375,357	530,081	12,391,409	2437.65%
2028	13,179,919	155,298	377,182	532,480	12,647,440	2475.20%
2029	13,443,518	154,128	383,616	537,744	12,905,773	2499.98%
2030	13,712,388	154,172	384,038	538,210	13,174,178	2547.78%
2031	13,986,636	154,051	388,463	542,514	13,444,122	2578.11%
2032	14,266,369	153,630	387,176	540,806	13,725,562	2637.98%
2033	14,551,696	153,038	389,813	542,851	14,008,845	2680.61%
2034	14,842,730	153,582	391,781	545,363	14,297,367	2721.62%
2035	15,139,584	-	593,094	593,094	14,546,490	2552.65%
<b>Total</b>	<b>\$ 231,512,586</b>	<b>\$ 2,937,492</b>	<b>\$ 7,058,658</b>	<b>\$ 9,996,150</b>	<b>\$ 221,516,436</b>	<b>2316.02%</b>

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

**City of South Bend, Indiana**

**Estimated Tax Increment Revenue**

**Erskine Village Project**

Tax Year / Collection Year	Estimated Tax Increment (1)	12/13 Net Tax Rate (2)	Estimated Tax Increment Revenue
2012/2013	\$ 1,311,129	\$ 4	\$ 1,311,129
2013/2014	9,175	-	9,175
2014/2015	19,183	-	19,183
2015/2016	-	-	-
2016/2017	-	-	-

(1) The City passed back incremental assessed value for payable year 2013. The City will make a yearly decision on the pass back of incremental assessed value. The Redevelopment Commission released TIF for 2013 pay 2014, 2015 pay 2016 and 2016 pay 2017.

Note: This TIF area was closed during 2017.

Source: City of South Bend Finance Department

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## Demographic and Economic Information

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

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
2008	104,905	0.80%	\$ 40,684	-8.37%	\$ 11,343	3.50%	\$ 35,450	3.08%	34.6	20,800	-4.21%
2009	106,192	1.23%	43,403	6.68%	10,581	-6.71%	33,151	-6.49%	32.3	20,451	-1.68%
2010	101,168	-4.73%	40,789	-6.02%	10,788	1.95%	33,819	2.02%	33.4	20,066	-1.88%
2011	101,168	0.00%	40,873	0.21%	11,447	6.11%	35,867	6.06%	33.3	19,467	-2.99%
2012	101,168	0.00%	40,873	0.00%	11,948	4.37%	37,505	4.57%	33.3	18,982	-2.49%
2013	101,168	0.00%	40,873	0.00%	12,196	2.08%	38,265	2.03%	33.3	19,680	3.68%
2014	101,168	0.00%	34,656	-15.21%	12,887	5.67%	40,342	5.43%	33.9	19,308	-1.89%
2015	101,168	0.00%	34,656	0.00%	13,560	5.22%	42,362	5.01%	34.0	18,680	-3.25%
2016	101,168	0.00%	34,523	-0.38%	14,074	3.79%	43,880	3.58%	34.9	18,110	-3.05%
2017	101,168	0.00%	35,758	3.58%	14,074	0.00%	43,880	0.00%	34.9	17,697	-2.28%

Sources:

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2017 information not available.

(2) U.S. Census Bureau, 2012-2016 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/>). 2017 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.

Demographic Statistics (Continued)

Last Ten Years

Year	December South Bend Metropolitan Area Labor Force (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Area Unemployment (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Unemployment Rate (1)
2008	159,417	-0.35%	10,494	30.43%	6.58%
2009	154,409	-3.14%	17,713	68.79%	11.47%
2010	155,045	0.41%	17,869	0.88%	11.53%
2011	155,025	-0.01%	15,582	-12.80%	10.05%
2012	151,520	-2.26%	14,085	-9.61%	9.30%
2013	150,796	-0.48%	13,021	-7.55%	8.63%
2014	152,583	1.19%	10,040	-22.89%	6.58%
2015	154,598	1.32%	7,768	-22.63%	5.02%
2016	158,279	2.38%	7,176	-7.62%	4.53%
2017	157,856	-0.27%	5,442	-24.16%	3.45%

Source:

(1) 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.

## Employment By Type and Industry

Last Ten Years

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Total employment</b>	176,686	174,085	165,304	164,086	167,018	165,870	165,639	168,250	172,229	175,721
<b>By Type:</b>										
Wage and salary employment	147,123	144,931	135,840	134,779	137,009	136,455	136,112	138,520	141,609	144,810
Proprietors employment	29,563	29,154	29,464	29,307	30,009	29,415	29,527	29,730	30,620	30,911
Farm proprietors employment	1,350	1,331	1,329	1,340	1,342	1,300	1,310	1,298	1,291	1,292
Nonfarm proprietors employment	28,213	27,823	28,135	27,967	28,667	28,115	28,217	28,432	29,329	29,619
<b>By Industry:</b>										
<b>Farm employment</b>	<b>1,966</b>	<b>1,791</b>	<b>1,765</b>	<b>1,758</b>	<b>1,770</b>	<b>1,680</b>	<b>1,692</b>	<b>1,681</b>	<b>1,686</b>	<b>1,674</b>
<b>Nonfarm employment</b>	<b>174,720</b>	<b>172,294</b>	<b>163,539</b>	<b>162,328</b>	<b>165,248</b>	<b>164,190</b>	<b>163,947</b>	<b>166,569</b>	<b>170,543</b>	<b>174,047</b>
Private nonfarm employment	156,625	154,068	145,200	144,045	147,071	146,899	147,190	149,978	153,884	157,232
Forestry, fishing, and related activities	222	(D)	(D)	245	271	301	287	(D)	(D)	(D)
Mining	75	105	96	117	105	154	178	(D)	(D)	(D)
Utilities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	9,300	9,257	7,988	6,927	6,951	6,639	6,823	6,839	7,536	7,736
Manufacturing	20,479	19,324	16,516	16,286	17,624	17,657	17,139	17,523	18,109	18,444
Wholesale trade	8,217	7,962	7,057	7,170	7,256	7,100	6,871	7,161	7,449	7,678
Retail trade	20,082	19,141	18,105	17,728	17,834	17,670	17,623	17,759	17,992	18,186
Transportation and warehousing	(D)	(D)	(D)	4,349 E	(D)	(D)	(D)	(D)	(D)	(D)
Information	2,658	2,556	(D)	2,227	2,081	2,113	2,265	2,265	2,215	2,053
Finance and insurance	6,972	7,028	6,988	6,817	7,021	6,797	6,213	6,057	6,028	6,188
Real estate and rental and leasing	6,614	6,423	6,128	5,933	6,107	5,987	6,069	6,285	6,358	6,502
Professional, scientific, and technical services	7,666 E	7,642 E	7,273 E	7,169 E	7,180 E	6,986 E	7,416	7,422	7,687	(D)
Management of companies and enterprises	1,133 E	1,218 E	1,246 E	1,307 E	1,411 E	1,515 E	2,195	2,330	2,428	(D)
Administrative and waste management service	9,636	9,111	8,108	8,529	8,363	7,912	7,787	8,149	8,415	8,657
Educational services	12,848	13,254	13,067	13,200 E	13,755	14,120	(D)	(D)	(D)	15,284
Health care and social assistance	20,161	20,339	20,882	20,341 E	21,268	21,875	(D)	(D)	(D)	23,679
Arts, entertainment, and recreation	2,864	2,839	2,655	2,626	2,813	2,768	2,811	2,726	2,786	2,852
Accommodation and food services	11,350	11,647	10,945	11,032	11,590	11,823	12,195	12,358	12,810	13,248
Other services, except public administration	10,425	10,196	(D)	9,763	10,071	10,070	9,956	10,344	10,431	10,569
<b>Government and government enterprises</b>	<b>18,095</b>	<b>18,226</b>	<b>18,339</b>	<b>18,283</b>	<b>18,177</b>	<b>17,291</b>	<b>16,757</b>	<b>16,591</b>	<b>16,659</b>	<b>16,815</b>
Federal, civilian	1,236	1,223	1,241	1,265	1,091	1,071	1,010	962	944	952
Military	995	1,003	1,013	1,003	1,043	1,006	991	1,002	1,023	1,005
State and local	15,864	16,000	16,085	16,015	16,043	15,214	14,756	14,627	14,692	14,858
State government	3,069	3,188	3,350	3,434	3,535	3,458	3,237	3,062	3,035	3,109
Local government	12,795	12,812	12,735	12,581	12,508	11,756	11,519	11,565	11,657	11,749

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

\* 2017 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, 2017 -- new estimates for 2016; revised estimates for 2014-2015.

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**

**Comparison of 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
2007	\$ 9,018	\$ 207,377	\$ 11,381	7.16%	6.28%	7.27%
2008	9,381	215,099	11,995	4.02%	3.72%	5.40%
2009	9,708	225,760	12,493	3.49%	4.96%	4.15%
2010	9,042	220,157	12,079	-6.86%	-2.48%	-3.31%
2011	9,144	227,692	12,460	1.14%	3.42%	3.15%
2012	9,668	242,798	13,233	5.72%	6.63%	6.21%
2013	10,152	253,771	13,904	5.01%	4.52%	5.07%
2014	10,349	257,170	14,069	1.94%	1.34%	1.18%
2015	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%
2016	11,995	285,864	16,028	3.82%	2.97%	3.65%
<b>Average Annual Growth - Most Recent 5 Years</b>				<b>4.42%</b>	<b>3.33%</b>	<b>3.92%</b>
<b>Average Annual Growth - Most Recent 10 Years</b>				<b>3.34%</b>	<b>3.56%</b>	<b>3.86%</b>

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 2011-2016.

\* 2017 information not available.

Principal Employers - Current and Nine Years Ago

December 31, 2017

Employer	Type of Business	2017			2008		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
Beacon Health System (Memorial)	Health Care	7,088	4.49%	1	3,529	2.64%	2
University of Notre Dame	Higher Education	6,086	3.86%	2	4,596	3.44%	1
South Bend Community School Corp	Public Schools	3,432	2.17%	3	3,130	2.35%	3
Indiana University South Bend	Higher Education	1,401	0.89%	4	1,259	0.94%	8
St. Joseph County	Government	1,377	0.87%	5	1,305	0.98%	7
City of South Bend	Government	1,285	0.81%	6	1,213	0.91%	9
Four Winds Casino (2)	Casino and restaurants	1,200	0.76%	7			
AM General Corporation	Manufacturing/Assembly	1,200	0.76%	8	2,400	1.80%	5
Honeywell Aerospace	Aerospace Manufacturing	850	0.54%	9		0.00%	
Press Ganey	Health Care Management	688	0.44%	10		0.00%	
Saint Joseph Health System	Health Care				2,617	1.96%	4
The Diocese of Fort Wayne/South Bend	Parochial Schools				1,403	1.05%	6
Madison Center	Health Care				871	0.65%	10
Total Number of Employees		<u>24,607</u>	15.59%		<u>22,323</u>	16.73%	
Total Employees - South Bend Metropolitan Area Labor Force (1)		<u>157,856</u>	100.00%		<u>133,433</u>	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/>)

(2) Found Winds Casino opened to the public on January 16, 2018.

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## Operating Information

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

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/ Program	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Physical arrests	4,091	3,785	3,077	3,626	3,174	2,959	2,608	2,483	2,342	2,229
Parking violations	1,672	1,479	979	904	1,051	1,019	299	691	480	919
Traffic violations	5,901	11,746	14,163	4,236	7,561	2,180	1,487	4,327	6,437	4,701
Fire:										
Emergency responses	15,123	14,341	15,578	15,408	15,720	15,865	15,902	15,340	15,886	16,829
Fires extinguished	264	264	225	251	214	220	227	213	236	339
Inspections	4,467	4,205	4,233	3,553	3,325	2,273	3,133	3,778	2,148	2,522
Refuse collection:										
Refuse collected (tons per day)	137	70	120	123	128	122	128	149	139	142
Other public works:										
Street resurfacing (miles)	15	15	20	18	17	21	22	17	20	19
Potholes repaired (tonnage)	898	629	380	332	117	691	826	526	462	363
Parks and recreation:										
Athletic field permits issued	738	700	381	227	133	93	120	113	427	142
Fitness Center Admissions	70,193	74,438	60,118	67,408	61,002	63,671	67,428	64,547	67,294	73,405
Water:										
New billable housing starts	299	194	179	144	160	242	141	108	189	214
Water mains breaks	72	87	76	60	66	80	134	99	53	45
Average daily consumption (thousands of gallons)	18,280	16,100	15,955	15,600	16,600	15,300	11,000	14,500	14,640	14,358
Wastewater:										
Average daily sewage treatment (thousands of gallons)	37,800	41,200	30,861	35,800	31,770	30,690	31,991	30,200	43,874	35,800

Sources: Various city departments

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/program	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	19	19	19	19	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	11
Training Center	-	-	-	-	-	-	1	1	1	1
Rescue units	32	33	33	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	22	21	23	23	19	19	19	19	19	19
Other public works										
Streets (miles)	500	532	532	499	525	525	525	525	525	525
Streetlights	1,242	2,500	2,500	2,500	2,700	2,700	3,000	3,015	3,015	3,015
Traffic signals	160	162	162	164	165	167	162	158	164	163
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,500
Playgrounds	23	23	23	23	23	23	23	23	23	23
Baseball/softball diamonds	27	27	27	27	27	27	27	27	27	27
Soccer/football fields	17	17	17	17	19	19	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash Pads	4	5	5	5	5	6	6	6	7	8
Community center	5	5	5	5	5	5	4	4	4	4
Water										
Water mains (miles)	560	560	580	582	583	584	583	583	583	586
Fire hydrants	5,081	5,317	5,345	5,377	5,401	5,436	5,448	5,439	5,459	5,539
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	534	534	534	528	526	527	527	527	535
Storm sewers (miles)	200	200	127	127	133	133	133	133	155	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

New Construction - Number of Permits and Property Values

Last Ten Fiscal Years  
(Dollar Amounts in 000's)

Year	Residential	Residential	Commercial	Commercial	Public	Public	Manufacturing	Manufacturing	Total Value (in 000's)	Total Value Increase/ (Decrease)	
	Number of Permits	Value (in 000's)	Number of Permits	Value (in 000's)	Utility Number of Permits	Utility Value (in 000's)	Number of Permits	Value (in 000's)			
2008	55	10,032	15	44,678	1,662	29,685	1	2,416	86,811	7.54%	
2009	48	8,467	10	29,451	1,627	28,785	-	-	66,703	-23.16%	
2010	35	7,450	5	28,283	1,221	25,998	-	-	61,731	-7.45%	
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	-36.30%	
2012	45	9,827	11	21,247	-	-	2	2,291	33,365	-15.16%	
2013	50	15,136	8	4,954	-	-	1	160	20,250	-39.31%	
2014	51	13,101	12	10,392	-	-	-	-	23,493	16.01%	
2015	(1)	77	18,615	70	415,219	-	-	6	28,460	462,294	1867.79%
2016		61	15,215	22	53,622	-	-	-	68,837	-85.11%	
2017	(1)	88	23,195	13	17,843	-	-	-	466	41,504	-39.71%

Source - Consolidated City/County Building Department

(1) - Increase in commercial construction due to major construction taking place at the University of Notre Dame.

Full-Time City Government Employees by Department

Last Ten Fiscal Years

Department	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government:										
Mayor's Office	9	8	7	7	6	6	7	7	6	7
City Clerk's Office	5	5	5	5	5	5	5	5	5	5
Common Council (elected officials, part-time)	9	9	9	9	9	9	9	9	9	9
Administration and Finance	29	26	26	27	22	20	21	18	26	21
Legal Department	15	9	9	9	9	10	10	12	11	10
Engineering	19	16	19	17	15	13	14	16	18	18
311 Call Center	-	-	-	-	-	5	7	7	7	6
Innovation and Technology (3)	-	-	-	-	-	-	-	-	-	17
Safety and Risk	-	-	-	-	3	3	3	2	2	2
Human Rights	-	-	-	-	6	6	6	6	6	5
Public Safety:										
Police Department	317	279	293	293	291	291	295	300	287	283
Communication Center	30	37	38	35	35	33	34	-	-	-
Fire Department	254	246	255	258	249	255	257	259	268	272
Building Maintenance	7	4	3	3	-	-	-	-	3	2
Culture and Recreation:										
Parks and Recreation (2)	121	111	113	114	114	113	87	88	89	94
Convention and Events Management (1)	15	13	13	14	14	14	14	14	12	9
Economic Development:										
Department of Community Investment	33	26	26	25	24	26	25	25	23	22
Highways and Streets:										
Street Department	54	51	52	56	52	60	59	53	59	55
Traffic & Lighting	11	6	-	-	-	-	-	-	-	-
Enterprise Funds:										
Water Works	80	82	75	74	73	70	68	67	65	67
Wastewater	57	48	51	49	46	45	42	43	44	45
Organic Resources (formerly in Wastewater)	-	-	-	-	6	6	6	6	6	6
Sewer	28	33	35	36	39	34	33	30	31	38
Solid Waste	26	26	26	23	24	26	22	21	25	23
Building Department	22	15	13	13	13	14	13	13	14	14
Code Enforcement/Animal Care & Control	27	27	23	25	25	24	23	23	26	29
Internal Service Fund:										
Central Services	46	39	41	41	42	43	38	36	37	40
<b>Total Positions</b>	<b>1,213</b>	<b>1,116</b>	<b>1,132</b>	<b>1,133</b>	<b>1,122</b>	<b>1,131</b>	<b>1,098</b>	<b>1,060</b>	<b>1,079</b>	<b>1,099</b>

Full-Time City Government Employees by Department (Continued)

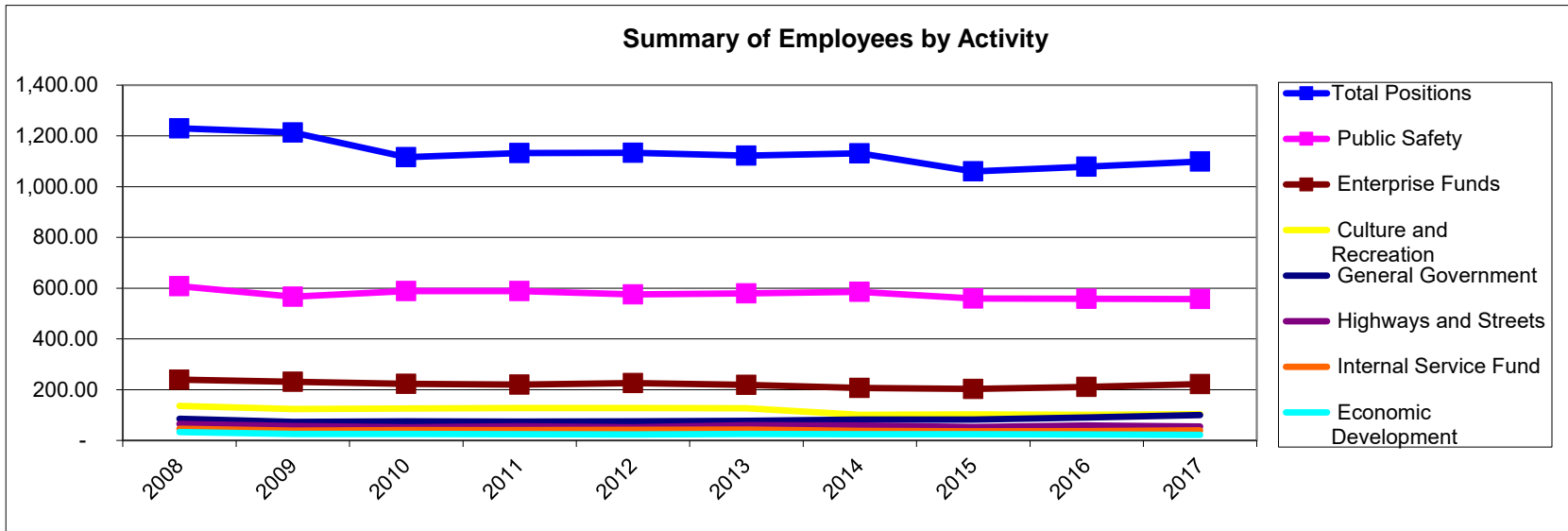
Last Ten Fiscal Years

Department	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Summary by Activity</b>										
General Government	85.50	73.00	75.00	74.00	75.00	77.00	82.00	82.00	90.00	100.00
Public Safety	608.00	566.00	589.00	589.00	575.00	579.00	586.00	559.00	558.00	557.00
Culture and Recreation	136.00	124.00	126.00	128.00	128.00	127.00	101.00	102.00	101.00	103.00
Economic Development	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00	23.00	22.00
Highways and Streets	65.00	57.00	52.00	56.00	52.00	60.00	59.00	53.00	59.00	55.00
Enterprise Funds	239.50	231.00	223.00	220.00	226.00	219.00	207.00	203.00	211.00	222.00
Internal Service Fund	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00	37.00	40.00
<b>Total Positions</b>	<b>1,230.00</b>	<b>1,213.00</b>	<b>1,116.00</b>	<b>1,132.00</b>	<b>1,133.00</b>	<b>1,122.00</b>	<b>1,131.00</b>	<b>1,060.00</b>	<b>1,079.00</b>	<b>1,099.00</b>

Excludes seasonal, part-time and temporary positions

- (1) Includes reduction of 34 positions in the City's convention facility (Century Center) during 2007. Century Center is being managed by a private company under an agreement with the City of South Bend.
- (2) Potawatomi Zoo employees (33) became employees of the Potawatomi Zoological Society through a public-private partnership as of January 1, 2014.
- (3) Innovation & Technology became a stand alone department in 2017; this department includes technology employees as well as business analysis.

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



Salary Rate Comparison

1990 - 2017

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%
2017	2.50%	56,861	2.20%	56,682	2.00%	1% + 1.5% for PERF

Type of Coverage		Limits of Liability	Estimated Annual Premium
<b>Liability</b>			
Comprehensive General Liability		Statutory	Self-Insured
Police Professional Liability		Statutory	Self-Insured
Ambulance Malpractice Liability		Statutory	Self-Insured
Premises Liability (Clay Utilities, Century Center, Parking Garages)		Statutory	Self-Insured
CGL - Stadium		Statutory	Self-Insured
Liquor Liability	4/26/17 - 18	\$ 1,000,000	\$ 1,739 Premium
Special Events (Arbor Day/Rum Village Aerial)	4/20/17 - 18	\$ 1,000,000	\$ 2,510 Premium
<b>Crime</b>			
Public Employee Dishonesty	12/31/17 - 18	\$ 1,000,000	\$ 9,374 Premium
<b>Property</b>			
	7/1/17 - 18		
All risk blanket building & contents		\$ 550,000,000	\$386,025 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	1/15/17 - 18	\$ 721,800	\$ 8,468 Premium
Eddy Street Commons Parking Garage	3/2/17 - 18		
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
<b>Other</b>			
	1/1/17 - 18		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$ 51,000 Fee
Excess Over Self-insured \$400,000 Retention Each Accident		Statutory	\$136,465 Premium/Fee

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

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		
2008	40	\$ 2,184,092	-	\$ -	24	\$ 2,699,677	\$ 4,883,769	15.05%
2009	40	2,443,390	-	-	23	2,914,347	5,357,737	9.70%
2010	40	3,108,702	-	-	n/a	2,410,711	5,519,413	3.02%
2011	39	3,342,964	-	-	n/a	2,474,034	5,816,998	5.39%
2012	40	3,201,888	-	-	n/a	2,735,212	5,937,100	2.06%
2013	37	3,730,018	-	-	n/a	2,854,527	6,584,545	10.91%
2014	39	2,548,101	-	-	n/a	2,911,596	5,459,697	-17.08%
2015	40	2,454,129	1	25,077	n/a	3,089,732	5,568,938	2.00%
2016	39	2,607,360	1	25,077	n/a	3,262,413	5,894,850	5.85%
2017	35	2,853,276	-	-	n/a	3,451,457	6,304,733	6.95%
<b>Banks</b>					<b>Credit Unions</b>			
1st Source Bank		\$ 1,466,041	51.39%		Teacher's Credit Union		\$ 2,471,346	71.60%
Key Bank		575,612	20.17%		Notre Dame Federal Credit Union		480,702	13.93%
Wells Fargo		262,325	9.19%		Community Wide Credit Union		342,737	9.93%
Others		549,298	19.25%		AAA Federal Credit Union		53,852	1.56%
Total		<b>\$ 2,853,276</b>	100.00%		Policemen's Federal Credit Union		49,295	1.43%
					Others		53,525	1.55%
					Total		<b>\$ 3,451,457</b>	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.

National Credit Union Association Website (www.ncua.gov). Custom Query, Search Fields, State = Indiana, Total Shares Greater than 1, City = South Bend or Notre Dame. Check data for CU name and total amount of shares and deposits.

Police Department			Department of Public Works		
	2016	2017		2016	2017
Authorized Officers	247	230	Traffic Signals	164	163
Vehicles	363	340	Street Lights (City maintained)	3,015	3,015
Special Officer Groups:			Miles of Streets	525	525
K-9 Patrols	8	7	Miles of Sidewalks	695	695
SWAT Team	17	18	Miles of Alleys	398	398
NEST - Special Neighborhood Unit	9	12	Miles of Sanitary Sewers and Storm Drains	691	691
Motorcycle Patrol Officers	7	6	City Owned Vehicles & Related Units	1,183	1,190
Bomb Squad	3	3	Trash Picked Up Per Week (in tons)	556/wk	568/wk
Crime Prevention Officers	3	4			
Crime Data:			Sign Shop		
Murders	15	17		2016	2017
Rapes	70	93	Work orders for sign maintenance, installation or removal	3,119	1,641
Robbery	388	345	Miles of yellow and white paint	288	297
Aggravated Assault	565	611	Pre-formed plastic arrows used for street markings	91	46
Residential Burglary	955	830	Crosswalk painting at intersections	487	387
Non-residential Burglary	286	362	Turn arrows in turn lanes	56	56
Larceny	3,359	3,438	Detour routes	30	30
Auto Theft	566	469	Temporary No Parking postings	462	499
Arson	47	37	Railroad Crossings	7	4
Calls for Service	103,183	99,542	Special Signs Built	350	273
Dispatches	103,183	99,542	Built Portables	75	75
Miles Driven	3,137,616	3,038,700	Barricades set up for events (# of events):	86	100
Arrests	2,342	2,229	Block Parties	47	40
Fire Department			Sewer Utility		
Paid Department established 1887				2016	2017
	2016	2017			
Sworn Firefighters			Customers	40,043	40,543
(51 of which are Paramedics)	244	253	Dry Tons of Sludge produced per year	2,704	2,397
Fire Apparatus	20	20	Miles of Sanitary Sewer Lines	230	230
Hazardous Materials Truck	1	1	Miles of Storm Sewer Lines	155	155
Reserve Pumper Trucks	3	3	Miles of Combined Lines (not separated)	305	305
Reserve Ladder Trucks	2	2			
River Rescue Boats	3	3	Water Utility		
Ambulances	7	7		2016	2017
Neonatal (Newborn) Units	3	3	Customers/Meters	40,670	41,200
Fire Runs	3,421	3,582	Irrigation Customers	2,973	2,907
Ambulance Runs	14,583	15,442	Wells/Pumps in service	30	27
			Pumping Capacity	53.7 m.g.d.	48 m.g.d.
			Daily Consumption	14.6 m.g.d.	14.4m.g.d.
			Peak Demand	26.5 m.g.d.	25.8 m.g.d.
			Miles of Distribution Systems	583	586
			Fire Hydrants	5,459	5,539

South Bend International Airport

Passenger Volume:			
Year	Airline Enplanements	South Shore Train	Bus to O'Hare/ Midway
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
2017	305,491	260,794	33,696

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):

	2015	2016
Allegiant Air	31.07%	31.73%
Delta Connection	45.34%	45.79%
United Express	21.38%	20.63%
Charters/Nonscheduled	2.21%	1.85%
Total	100.00%	100.00%

\* 2017 information not available

Transpo

South Bend Public Transportation Corporation		
	2016	2017
<b>Motor Bus (Fixed Route)</b>		
Route Miles	288	291
Ridership	1,676,030	1,571,446
Miles of Service	1,358,176	1,356,792
Revenue Miles	1,283,562	1,282,475
<b>Demand Response (ACCESS)</b>		
Ridership	65,099	68,572
Total Miles	342,319	347,186
Revenue Miles	306,798	312,417

Other Transportation

43 Trucking Lines, 33 Terminals  
 4 Interstate Bus Lines  
 4 Major Rail Systems (freight and passenger)

Colleges and Universities

Colleges	Enrollment	
	2016	2017
University of Notre Dame *	12,292	12,393
Indiana University at South Bend	7,185	5,385
Bethel College	1,639	1,650
St. Mary's College	1,606	1,600
Holy Cross College *	530	500
Trine University - South Bend	75	78
Purdue University South Bend	130	150

Technical Colleges

	Enrollment	
	2016	2017
IVY Tech Community College *	5,694	5,694

\* 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
Aloft	facilities to seat 150

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:  
 3 Major Television Networks: NBC (WNDU), ABC (WBND), and CBS/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

### 6 weeks of fully paid

parental leave for City employees, one of the most generous plans in the state.



### 675 private jobs created



through partnerships with the Department of Community Investment.

### \$207,663,000

in private investment in the City.



**0** The number of fire fatalities in the City in 2017.

**55,287 HOURS OF TRAINING** by the South Bend Fire Department.

### OVER 7,000 FOOT PATROLS

conducted by the South Bend police Department, nearly double the year before.



**2,914 Access to Public Records requests** fulfilled by the Legal Department.



**125,057 calls** taken by 311.



**3.5 Million Pounds** of litter removed by Code Enforcement NEAT crews.



**48%**

participation in the City Yard Waste Program, twice the national average.



At Animal Care and Control, **the number of adopted animals DOUBLED.**



**50,000 Attendees**

to the First Annual **Best. Week. Ever.**

### 35 parks and 20 miles

of trails touched by the My SB Parks & Trails plan.



### 31 lane miles

paved in the city streetscape.



**210,000**

trips taken by LimeBike riders.

**44,935 feet**

of curbs and sidewalks added or replaced.

