



STATE OF INDIANA
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November 9, 2021

To: The Officials of the City of South Bend
City of South Bend
227 W. Jefferson Blvd., Suite 1200 N.
South Bend, IN 46601

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of South Bend. We have reviewed the audit reports opined upon by BKD, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the Annual Comprehensive Financial Report present fairly the financial condition of the City of South Bend, as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report which can be found on page 10 in the Single Audit Report section. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 13-14 of the Single Audit Report section.

In our opinion, BKD, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

City of South Bend, Indiana



2020

**Annual Comprehensive
Financial Report**

James Mueller, Mayor

Daniel Parker, City Controller

Benjamin Dougherty, Deputy City Controller

Amy Shirk, Director of Accounting & Budget

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CITY OF SOUTH BEND, IN JAMES MUELLER, MAYOR
DEPARTMENT OF ADMINISTRATION AND FINANCE

October 26, 2021

The Honorable James Mueller, 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, 2020** 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.

Accounting Principles Generally Accepted in the United States of America (US GAAP) require 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, 2019. 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 Code of Federal Regulations Title 2 Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 2020 U.S. Bureau of the Census population was 103,453. 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). 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, in what is commonly known as the “Michiana” 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. This project continued to mature in 2019 and 2020, during which the City joined other northern Indiana municipalities in funding a double tracking project for the South Shore Line that is expected to significantly reduce travel time. 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 2020 U.S. Bureau of the Census population of 272,912, 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 33,487 (12.6% increase) between 1960 and 2020. 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 7.7% between 1990 and 2010. The population of St. Joseph County grew again by 2.2% (5,981 residents) in the last decade between 2010 and 2020.

The estimated labor force in St. Joseph County is 133,385 workers (2020, 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 90.1% of the area’s adult population are high school graduates or higher (as compared to the national average of 88.3%) with an estimated 31.7% with a bachelor’s degree or higher. There are eight 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; and Ivy Tech Community College. The St. Joseph County 2020 Annual Average Unemployment was 8.4%, which is slightly higher than the state of Indiana unemployment rate of 7.1%. The unemployment rate in St. Joseph County was significantly impacted by the COVID-19 pandemic and was similar in 2020 to the surrounding counties—Elkhart (7.5%), LaPorte (5.0%), and Marshall (6.4%) in Indiana (2020 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 (STATS Indiana 2020 Summary, using data from US Bureau of Labor Statistics):



<u>Economic Sector</u>	<u>Number Employed</u>	<u>% of Total</u>
Health Care and Social Assistance	20,312	16.5%
Manufacturing	15,064	12.2%
Retail Trade	13,970	11.3%
Federal, State, & Local Government	12,644	10.3%
Accommodation and Food Service	11,465	9.3%
Educational Services	10,745	8.7%
Wholesale Trade	5,684	4.6%
Administrative and Waste Services	5,384	4.4%
Construction	5,150	4.2%
Professional and Technological Services	4,472	3.6%
Other Services	3,617	2.9%
Finance and Insurance	3,525	2.9%
Transportation and Warehousing	3,363	2.7%
Management	2,355	1.9%
Arts, Entertainment, and Recreation	2,087	1.7%
Real Estate, Rental, Leasing	1,588	1.3%
Information	1,388	1.1%
Utilities	246	0.2%
Agriculture, Forestry, Fishing, Hunting, Mining	163	0.1%
Total	124,367	100.0%

According to the United States Census Bureau, St. Joseph County presently has an estimated 100,861 households with a median household income of \$54,434, which compares to the State of Indiana median household income of \$57,617 and the United States median household income of \$67,251. Surrounding counties have similar median household incomes—Elkhart (\$58,350), La Porte (\$51,584), and Marshall (\$53,889) in Indiana and Cass (\$52,741) and Berrien (\$51,262) in Michigan.

Health and education lead the employment statistics for St. Joseph County. The largest employers in St. Joseph County are: Beacon Health System, University of Notre Dame, South Bend Community School Corporation, St. Joseph Health System, Indiana University – South Bend, St. Joseph County, City of South Bend, AM General, Honeywell International, Inc, and Press Ganey Associates, Inc.

The following provides a profile of the residents of St. Joseph County (US Census Bureau 2013-2017 American Community Survey 5-Year):

Gender %, male/female:	48.59% male; 51.41% female
Age:	
Under 20 years of age	27.1%
20-29 years of age	14.4%
30-39 years of age	11.9%
40-49 years of age	12.0%
50-59 years of age	12.0%
60-64 years of age	6.6%
65 years of age and older	15.9%
Race:	
White	72.10%
Black or African American	11.35%
Hispanic or Latino	8.52%
American Indian and Alaska Native	0.47%
Asian	2.29%
Native Hawaiian and Other Pacific Islander	0.09%
Some other race	1.81%
Two or more races	3.38%
Home Ownership	67.8% own; 32.2% 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 first quarter of 2020, the median sales price for a single-family home in the South Bend-Mishawaka Statistical Area was \$134,800 as compared to a median sales price of \$261,700 in Chicago and \$204,000 in Indianapolis. The national median sales price is \$274,600.

Between January 2016 and December 2020, the City of South Bend has seen approximately \$655 million in private investment and the announcement of close to 2,100 new 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 15,906 students in grades pre-kindergarten through 12. An estimated 6,130 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; 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 March 22, 2021 the South Bend Common Council approved an updated 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, 2020 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 expenditure classification within funds. The Mayor and Common Council may transfer appropriations from one major expenditure 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 law, 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 \$40 million dollars per year) 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 James Mueller is the chief executive of the City of South Bend. The city's thirty-third mayor, he was sworn into office on January 1, 2020. As mayor, Mueller is responsible for the city workforce of over 1,000 employees and an annual budget over \$380 million.

After attending St. Joseph's High School, the University of Notre Dame, and the University of Delaware for his PhD, Mayor Mueller worked in public policy, promoting pragmatic public policies and affordable energy solutions at the George Washington



University's Solar Institute in Washington, DC. He also served in the office of US Senator Maria Cantwell (D-WA), for nearly four years, first as a John A. Knauss Legislative Fellow and then as a policy adviser on energy and natural resources.

In 2015, Mayor Mueller returned home to join the Buttigieg administration as Mayor Pete Buttigieg's Chief of Staff. Mueller's tenure as Chief of Staff included the establishment of the first Diversity and Inclusion Office in Indiana, as well as the creation of the Departments of Innovation & Technology and the Venues Parks and Arts Department. Mueller went on to become the Executive Director of Community Investment where he was responsible for attracting businesses to South Bend and investing in the neighborhoods. Early in his tenure as Executive Director of Community Investment, Mueller established the Engagement & Economic Empowerment Division to empower residents with access to economic opportunities and meaningful civic participation.

Mayor Mueller's priorities include:

- Strengthening education from cradle to career to set up every child for success
- Reforming our public safety systems to make us all safer
- Promoting shared growth and an economy that works for everyone
- Rebuilding our neighborhoods block by block

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, 2019. This was the 30th 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 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 Ben Dougherty, Amy Shirk, and Maricela Juarez. In addition, we would like to thank the audit staff at BKD, LLP (led by Andy Rinzel and Emily Tursi) for their hard work and dedication in this effort.

In closing, without the leadership and support of Mayor James Mueller, 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,

Daniel T. Parker
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

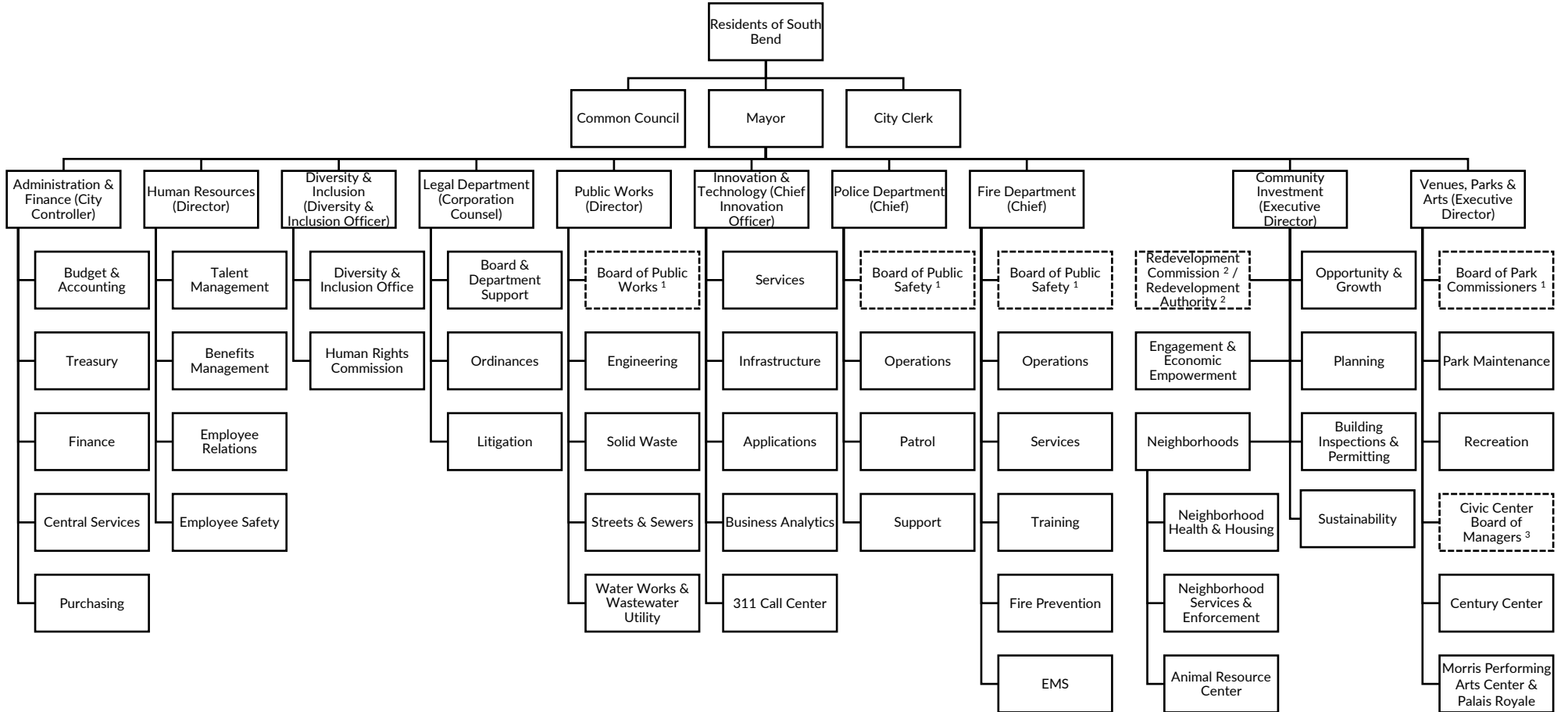
December 31, 2019

Christopher P. Morill

Executive Director/CEO



CITY ORGANIZATIONAL CHART



(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

Office	Official	Term
Mayor	James Mueller	01/01/2020 to 12/31/2023
Controller	Daniel Parker	12/10/2018 to 12/31/2023
City Clerk	Dawn M. Jones	08/15/2019 to 12/31/2023
President of the Board of Public Works	Gary A. Gilot	12/31/2012 to 12/31/2020
Common Council Members		
1 st District	Tim Scott	01/01/2016 to 06/15/2020
1 st District	Canneth Lee	07/01/2020 to 12/31/2023
2 nd District	Henry Davis, Jr.	01/01/2020 to 12/31/2023
3 rd District	Sharon McBride	02/24/2018 to 12/31/2023
4 th District	Troy Warner	01/01/2020 to 12/31/2023
5 th District	Jake Teshka	06/04/2018 to 11/04/2020
5 th District	Eli Wax	11/29/2020 to 12/31/2023
6 th District	Sheila Niezgodski	01/01/2020 to 12/31/2023
At Large	Karen L. White	01/01/2016 to 12/31/2023
At Large	Lori K. Hamann	01/01/2020 to 12/31/2023
At Large	Rachel Tomas Morgan	01/01/2020 to 12/31/2023

Independent Auditor's Report

Audit Committee
City of South Bend, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of South Bend, as of and for the year ended December 31, 2020, 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 did not audit the financial statements of the discretely presented component unit, South Bend Public Transportation Corporation. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the South Bend Public Transportation Corporation, is based solely on the report of the other auditors. 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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of South Bend, Indiana, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2019 financial statements, before they were restated for the matters discussed in Note 20, were audited by other auditors, and their report thereon, dated August 5, 2020, expressed unmodified opinions. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, along with pension and other postemployment benefit information 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 combining and individual fund statements and schedules and the introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 also have issued our report dated October 26, 2021, 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.

BKD, LLP

Indianapolis, Indiana
October 26, 2021

The management of the City of South Bend, Indiana (the "City") is pleased to present 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, 2020**.

Readers should note that 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 Annual Comprehensive Financial Report.

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, 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 law.

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, 2023.

The City of South Bend was incorporated in 1865, is compliant with Indiana statutes, and remains as such through the period covered by this Management's Discussion and Analysis report.

Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2020	2019 (restated)	2020	2019 (restated)	2020	2019 (restated)	2020	2019 (restated)
Assets/deferred outflows	\$ 557,165,642	\$ 552,174,292	\$ 300,461,955	\$ 302,018,352	\$ 857,627,597	\$ 854,192,644	\$ 31,928,256	\$ 32,742,966
Liabilities/deferred inflows	385,440,684	396,233,587	87,618,403	96,598,914	473,059,087	492,832,501	2,735,998	3,357,311
Net Position								
Net investment in capital assets	128,432,152	133,763,392	158,425,568	151,699,680	286,857,720	285,463,072	28,508,842	30,351,397
Restricted	11,810,879	11,332,302	42,169,068	34,701,170	53,979,947	46,033,472	-	-
Unrestricted	31,481,927	10,845,011	12,248,916	19,018,588	43,730,843	29,863,599	683,416	(965,742)
Total Net Position	\$ 171,724,958	\$ 155,940,705	\$ 212,843,552	\$ 205,419,438	\$ 384,568,510	\$ 361,360,143	\$ 29,192,258	\$ 29,385,655
Change vs. prior year	\$ 15,784,253	\$ (23,991,768)	\$ 7,424,114	\$ 8,203,691	\$ 23,208,367	(15,788,077)	\$ (193,397)	\$ (2,880,289)
Expenses	175,327,161	205,133,996	66,465,554	73,074,437	241,792,715	278,208,433	12,905,984	13,824,067
Revenues	191,111,414	178,373,377	73,889,668	81,278,128	265,001,082	259,651,505	12,712,587	10,943,778

- **Note:** The City made nine (9) prior period adjustments that affected net position as of December 31, 2019. All statements and tables that present 2019 data throughout this Management's Discussion and Analysis have been adjusted to reflect these restatements.
 - 1. Code Enforcement activities adjusted from business-type to governmental;
 - Net effect: increasing net position of governmental activities by \$1,477,557 and decreasing net position of business-type activities by the same amount
 - 2. EMS activities adjusted from business-type to governmental
 - Net effect: increasing net position of governmental activities by \$2,278,756 and decreasing net position of business-type activities by the same amount
 - 3. Two blended component units added – Urban Enterprise Association & VPA Foundation
 - Net effect: increasing net position of governmental activities by \$2,173,394
 - 4. Correction of various construction projects within 2019 Construction in Progress
 - Net effect: increasing net position of governmental activities by \$4,653,906 and increasing net position of business-type activities by \$166,999
 - 5. Correct an error in accounts receivable in the Economic Development State Grants Fund
 - Net effect: decreasing net position of governmental activities by \$17,085
 - 6. Correct an error in accounts payable in the Equipment Vehicle Leasing Fund
 - Net effect: increasing net position of governmental activities by \$45,000
 - 7. Allocate net pension liability and deferred inflows/outflows related to pensions between Business-Type and Governmental Activities
 - Net effect: an increase of \$5,909,510 in net position of governmental activities and a decrease of \$5,909,510 in net position of business-type activities.
 - 8. Allocate total OPEB liability and deferred inflows/outflows related to OPEB between Business-Type and Governmental Activities
 - Net effect: an increase of \$4,550,540 in net position of governmental activities and a decrease of \$4,550,540 in net position of business-type activities.
 - 9. Correction to bond premium and discount amortization schedules
 - Net effect: an increase of \$266,019 in net position of governmental activities and a decrease of \$526,164 in net position of business-type activities.

More information on these prior period adjustments can be found in Note 20 to the Financial Statements.

- Government-wide net position was \$384,568,510 as of December 31, 2020.
- Government-wide net position increased by \$23,208,367 or 6.4% during fiscal year 2020. Governmental activity net position increased by \$15,784,253 or 10.1% and business-type activity net position increased by \$7,424,114 or 3.6% during fiscal year 2020. The increase in governmental activity net position is primarily driven by three factors:
 - First, the City had many accounts in which expenditures were lower than expected, most notably Police Department and Fire Department personnel costs (\$2,346,732 under budget) and City-wide health insurance expenditures (\$2,181,384 under budget). The decrease in health insurance expenditures is attributed to lower-than-expected elective utilization of healthcare due to the COVID-19 pandemic.
 - Second, the City experienced higher-than-expected revenues in a number of areas, including property taxes and income taxes, as well as an inflow of more than \$3 million from the federal government, stemming from the CARES Act federal stimulus.
 - Finally, the City saw a decrease in net pension liability and deferred inflows related to pensions, as well as an increase in deferred outflows related to pensions. Together, these factors increased governmental activities net position by \$10,841,118.
- Total assets and deferred outflows of resources as of December 31, 2020 of \$857,627,597 increased by \$3,434,953 or 0.4% as compared to total assets and deferred outflows of resources as of December 31, 2019. The increase is primarily attributable to higher cash reserves as of December 31, 2020.
- Total liabilities and deferred inflows of resources as of December 31, 2020 of \$473,059,087 decreased by \$19,773,414 or 4.0% as compared to total liabilities and deferred inflows of resources as of December 31, 2019. This decrease was driven primarily by a large net decrease of \$13,943,381 in long-term debt outstanding, which was due to normal debt paydown and a refunding of a sewage works bond. In addition, net pension liability and deferred inflows related to pensions decreased by \$6,268,036.
- As of December 31, 2020, the government-wide net position of \$384,568,510 has \$286,857,720 invested in capital assets (net of debt) which is not available for spending, \$53,979,947 classified as restricted for debt service; capital outlay; and other; and \$43,730,843 classified as unrestricted.
- Government-wide revenue received in fiscal 2020 totaled \$265,001,082, an increase of \$5,349,577 or 2.6% compared to government-wide revenue received in fiscal 2019. Governmental activity revenue increased by \$12,738,035 or 7.1%, and business-type activity revenue decreased by \$7,388,460 or 9.1%. These changes were due primarily to the adjustment of Code Enforcement and EMS activities, which were classified as business-type in 2019, but counted as governmental in 2020.
- Government-wide expenses in 2020 totaled \$241,792,715, a decrease of \$36,415,718 (13.1%) compared to expenses in 2019. Governmental activity expenses decreased by \$29,806,835 or 14.5%, while business-type activity expenses decreased by \$6,608,883 or 9.0% compared to fiscal 2019. The decrease in expenses in governmental activities is largely due to higher-than-normal expenses in 2019, which were due to large, one-time, debt-financed expenditures for assets not owned by the City (such as Eddy Street Commons and the South Shore), and which were therefore

not capitalized. Thus, the decrease in 2020 was largely a return to a more normal, operational level of expenditure. The decrease in expenditures in business-type activities is due primarily to the reclassification of Code Enforcement and EMS activities, which were classified as business-type in 2019, but counted as governmental in 2020.

- The financial statements contain information for a single discrete component unit, the South Bend Public Transportation Corporation (Transpo).
- Explanatory commentary concerning the changes in assets, liabilities, revenues, 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, 2020. 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, 2020. 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, and the downtown parking garages.

Component units are included in our basic financial statements, in accordance with GASB Statement 61. These units are legally separate entities for which the City is financially accountable. Component units are

December 31, 2020

presented as either discrete or blended, depending on the level of oversight exercised and the relationship between the City and the external entity. Blended component units include the South Bend Redevelopment Authority, the City of South Bend Building Corporation, the Urban Enterprise Association of South Bend, and the VPA Foundation. These entities are set up to exclusively benefit or provide services to the City, and the management team of the City has operational responsibility for these entities. Accordingly, the financial information for these entities is blended into the primary government in these statements.

In contrast, the City has included the South Bend Public Transportation Corporation (Transpo) as a discrete component unit. Although the City does not have operational responsibility for Transpo, and no financial benefit or burden accrues to the City due to Transpo's operations, Transpo is nonetheless fiscally dependent on the City. This dependency exists because the South Bend Common Council has the authority to approve and modify Transpo's budget and levy taxes on behalf of Transpo. More information on the City's component units can be found in Note 1 to the Financial Statements.

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-two (72) nonmajor 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 seven (7) 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, parental leave benefit for City employees, and Central Services unit (a division that accounts for expenses related to fuel, vehicle repairs, facilities management, 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 three (3) fiduciary funds, which consist of two (2) pension trust funds (1925 Police Officers' Pension and 1937 Firefighters' Pension), and one custodial fund (Police Distributions Payable).

Pension Trust Fund Operations

The vast majority of 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. See Note 18 and the items in the Required Supplementary Information section for more information.

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. These notes should be considered to be a part of the overall financial statements.

Other Information

In addition to the basic financial statements and accompanying notes and disclosures, this ACFR 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 nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds

are presented immediately after the Required Supplementary Information within the financial statement section of the ACFR.

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		Discrete Component Unit	
	2020	2019 (restated)	2020	2019 (restated)	2020	2019 (restated)	2020	2019 (restated)
Assets								
Current and other	\$256,626,088	\$250,459,998	\$69,809,178	\$67,812,930	\$326,435,266	\$318,272,927	\$2,999,487	\$2,207,669
Capital assets (net)	278,777,630	287,791,909	227,419,851	231,754,446	506,197,481	519,546,355	28,512,277	30,397,350
Total Assets	535,403,718	538,251,906	297,229,029	299,567,376	832,632,747	837,819,283	31,511,764	32,605,019
Deferred Outflows	21,761,924	13,922,386	3,232,926	2,450,975	24,994,850	16,373,361	416,492	137,947
Liabilities								
Current	11,854,270	15,290,668	4,684,985	5,355,248	16,539,255	20,645,916	484,814	1,213,649
Long-term	357,647,078	362,521,939	79,497,133	88,187,649	437,144,211	450,709,588	700,019	1,327,535
Total Liabilities	369,501,348	377,812,607	84,182,118	93,542,898	453,683,466	471,355,504	1,184,833	2,541,184
Deferred Inflows	15,939,336	18,420,981	3,436,285	3,056,016	19,375,621	21,476,997	1,551,165	816,127
Net Position								
Net investment in capital assets	128,432,152	133,763,392	158,425,568	151,699,680	286,857,720	285,463,072	28,508,842	30,351,397
Restricted	11,810,879	11,332,302	42,169,068	34,701,170	53,979,947	46,033,472	-	-
Unrestricted	31,481,927	10,845,011	12,248,916	19,018,588	43,730,843	29,863,599	683,416	(965,742)
Total Net Position	\$171,724,958	\$155,940,705	\$212,843,552	\$205,419,438	\$384,568,510	\$361,360,143	\$29,192,258	\$29,385,655

- As of December 31, 2020, total assets and deferred outflows exceeded liabilities and deferred inflows by \$384,568,510, an increase of \$23,208,367, or 6.4%, from the net position level as of December 31, 2019.
- Governmental activities net position of \$171,724,958 increased by \$15,784,253, or 10.1%, from December 31, 2019.
- Business-type net position of \$212,843,552 increased by \$7,424,114, or 3.6%, from December 31, 2019. The increase in business-type net position was due primarily to higher than expected revenue in the Wastewater Utility.
- Government-wide assets and deferred outflows of resources as of December 31, 2020 of \$857,627,596 increased by \$3,434,953 or 0.40% as compared to total assets and deferred outflows of resources as of December 31, 2019. The increase is primarily attributable to higher cash reserves as of December 31, 2020.
- Government-wide liabilities and deferred inflows of resources as of December 31, 2020 of \$473,059,087 decreased by \$19,773,414 or 4.0% as compared to total liabilities and deferred inflows of resources as of December 31, 2019. This decrease was driven primarily by a large net

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

December 31, 2020

decrease of \$13,943,381 in long-term debt outstanding, which was due to normal debt paydown and a refunding of a sewage works bond. In addition, net pension liability and deferred inflows related to pensions decreased by \$6,268,036.

Statement of Activities

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
<i>Program revenues</i>								
Charges for services	\$ 11,839,297	\$ 5,658,913	\$ 70,180,688	\$ 79,266,404	\$ 82,019,985	\$ 84,925,317	\$ 1,049,261	\$ 1,437,390
Operating grants	20,139,125	14,701,908	-	-	20,139,125	14,701,908	6,846,087	4,529,201
Capital grants	949,034	3,605,801	2,142,194	1,710,762	3,091,228	5,316,563	829,684	-
<i>General revenues</i>								
Property tax	80,188,143	82,470,667	-	-	80,188,143	82,470,667	3,979,559	4,220,655
Other tax	37,500,874	35,472,965	956,250	1,275,000	38,457,124	36,747,965	-	-
State-shared revenue	12,242,415	13,680,283	-	-	12,242,415	13,680,283	-	-
Investment earnings	2,152,868	5,136,772	639,006	1,784,206	2,791,874	6,920,978	7,996	15,773
Other revenue	17,998,244	17,646,068	(28,470)	10,607	17,969,774	17,656,675	-	740,759
Total revenues	183,010,000	178,373,377	73,889,668	84,046,979	256,899,668	262,420,356	12,712,587	10,943,778
Expenses								
General government	15,594,628	10,915,147	-	-	15,594,628	10,915,147	-	-
Public safety	71,038,475	92,017,691	-	-	71,038,475	92,017,691	-	-
Highways & streets	30,954,585	27,114,327	-	-	30,954,585	27,114,327	-	-
Economic development	33,591,809	44,698,518	-	-	33,591,809	44,698,518	-	-
Culture & recreation	18,219,658	24,641,558	-	-	18,219,658	24,641,558	-	-
Interest on long-term debt	5,928,006	5,746,755	-	-	5,928,006	5,746,755	-	-
Water utility	-	-	15,426,501	16,268,059	15,426,501	16,268,059	-	-
Wastewater utility	-	-	30,400,218	32,482,382	30,400,218	32,482,382	-	-
Century center	-	-	3,513,761	5,469,673	3,513,761	5,469,673	-	-
Building department	-	-	1,500,424	4,329,275	1,500,424	4,329,275	-	-
Parking	-	-	1,262,908	1,178,641	1,262,908	1,178,641	-	-
Solid waste	-	-	6,169,271	5,481,420	6,169,271	5,481,420	-	-
Emergency medical svcs	-	-	91,057	7,864,987	91,057	7,864,987	-	-
Public transportation	-	-	-	-	-	-	12,905,984	13,824,067
Total expenses	175,327,161	205,133,996	58,364,140	73,074,437	233,691,301	278,208,433	12,905,984	13,824,067
Change in Net Position								
Before transfers	7,682,839	(26,760,619)	15,525,528	10,972,542	23,208,367	(15,788,077)	(193,397)	(2,880,289)
Transfers	8,101,414	2,768,851	(8,101,414)	(2,768,851)	-	-	-	-
Change in Net Position	15,784,253	(23,991,768)	7,424,114	8,203,691	23,208,367	(15,788,077)	(193,397)	(2,880,289)
Beginning Net Position (restated)	155,940,705	179,932,473	205,419,438	197,215,747	361,360,143	377,148,220	29,385,655	32,265,944
Ending Net Position	\$171,724,958	\$155,940,705	\$212,843,552	\$205,419,438	\$384,568,510	\$361,360,143	\$29,192,258	\$29,385,655

Governmental Activities

Net position for governmental activities increased by \$15,784,253 during fiscal 2020, an increase of 10.1% from the balance of net position as of December 31, 2019. Governmental activity revenue (including transfers) increased by \$9,969,186 or 5.5%, while governmental activity expenses decreased by \$29,806,835 or 14.5%.

The governmental activities revenue increases were due primarily to the adjustment of Code Enforcement and EMS activities, which were classified as business-type in 2019, but counted as governmental in 2020.

Governmental activities expenses decreased significantly in 2020, due primarily to higher-than-normal expenses in 2019, which were due to large, one-time, debt-financed expenditures for assets not owned by the City (such as Eddy Street Commons and the South Shore), and which were therefore not capitalized. Thus, the decrease in 2020 was largely a return to a more normal, operational level of expenditure.

Business-type Activities

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

December 31, 2020

Net position from business-type activities increased by \$7,424,114 (3.6%) from the balance of net position at December 31, 2019. During 2020, business-type activities revenue of \$65,788,254 (reported net of transfers out) decreased by \$15,489,874 or 19.1%, over fiscal 2019. During 2020, business-type activities expenses of \$58,364,140 decreased by \$14,710,297 or 20.1% compared to fiscal 2019.

These changes are due primarily to the reclassification of Code Enforcement and EMS activities, which were classified as business-type in 2019, but counted as governmental in 2020.

Component Unit

Net position for the South Bend Public Transportation Corporation decreased by \$193,397 (0.7%) from the balance of net position at December 31, 2019.

Financial Analysis of Governmental 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 and for the Year Ended December 31, 2020

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Total assets	\$55,402,303	\$4,223,875	\$4,090,494	\$15,502,758	\$19,378,866	\$10,882,772	\$35,510,468	\$91,350,944	\$236,342,480
Total liabilities and deferred inflows of resources	4,376,287	473,401	291,985	665,407	114,463	-	505,547	5,896,210	12,323,300
Fund Balances									
Nonspendable	-	16,958	-	555,253	270,001	-	5,722,536	4,795,056	11,359,804
Restricted	-	3,733,516	3,798,509	-	-	-	29,282,385	72,453,693	109,268,103
Committed	-	-	-	-	-	-	-	6,177,133	6,177,133
Assigned	820,834	-	-	14,282,098	18,994,402	10,882,772	-	2,028,852	47,008,958
Unassigned	50,205,182	-	-	-	-	-	-	-	50,205,182
Total fund balances	51,026,016	3,750,474	3,798,509	14,837,351	19,264,403	10,882,772	35,004,921	85,454,734	224,019,180
Total liabilities and deferred inflows of resources and fund balances	55,402,303	4,223,875	4,090,494	15,502,758	19,378,866	10,882,772	35,510,468	91,350,944	236,342,480
Revenues	71,857,194	14,987,822	9,745,052	14,160,736	13,766,339	112,673	17,593,494	40,149,177	182,372,487
Expenditures	73,155,767	14,760,604	8,934,020	7,926,864	4,626,232	-	18,561,866	63,475,607	191,440,960
Excess of revenue (under) over expenditures	(1,298,573)	227,218	811,032	6,233,872	9,140,107	112,673	(968,372)	(23,326,430)	(9,068,473)
Other sources (uses)	9,024,989	877,324	-	(4,040,060)	(7,584,206)	-	(616,899)	20,820,487	18,481,635
Net Change in Fund Balances	7,726,416	1,104,542	811,032	2,193,812	1,555,901	112,673	(1,585,271)	(2,505,943)	9,413,162
Beginning Fund Balance	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	87,960,677	214,606,018
Ending Fund Balance	51,026,016	3,750,474	3,798,509	14,837,351	19,264,403	10,882,772	35,004,921	85,454,734	224,019,180

December 31, 2020

As of December 31, 2020, the City governmental funds reported a combined ending fund balance of \$224,019,180. This fund balance is comprised of the following components:

- The nonspendable fund balance of \$19,172 is sequestered for inventory and property held for resale, and is, therefore, not available for new spending.
- The restricted fund balance of \$119,783,481 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 \$6,177,133 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 \$47,834,212 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 \$50,205,182 consists of money in the General Fund that has not been obligated in any manner by the City.

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, 2020, the General Fund balance of \$51,026,016 represents an increase of \$7,726,416, or 17.8% from the balance as of December 31, 2019. The increase was due primarily to higher property tax revenue during 2020 than expected and lower spending for public safety and administration than anticipated.

As of December 31, 2020, the General Fund had an unassigned fund balance of \$50,205,182, which is equal to 68.6% of 2020 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 2020 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 2020.

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, 2020.

The **Parks and Recreation Fund** balance increased by \$1,104,542 during 2020, due primarily to the planned buildup of fund balance following a large spenddown in 2019. As of December 31, 2020, the fund balance in the Parks and Recreation Fund was \$3,750,474, or 25.4% of 2020 expenditures. The City has a policy to maintain fund reserves equal to at least 25% of annual expenditures in this fund, and meets this target as of December 31, 2020.

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. The increase in fund balance in the amount of \$811,032 during 2020 was due primarily to an unexpected supplemental income tax distribution for this fund for police and fire personnel. The ending fund balance was \$3,798,509, or 42.5% of annual expenditures.

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 increased by \$2,193,812 during 2020, due primarily to an unanticipated excess income tax distribution. 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 service and electricity for streetlights, and certain debt service payments.

As of December 31, 2020, the COIT Fund balance was \$14,837,351, or 124% of 2020 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 \$1,555,901 during 2020 due to an unanticipated excess income tax distribution. 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, 2020, the EDIT fund balance was \$19,264,403, or 157.8% of 2020 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 as of December 31, 2020 was \$10,882,772 or 4.7% of government-wide expenses during 2020, and meets the City's cash reserve policy goal of 3.0%.

The fund balance in the **River West TIF Fund** decreased by \$1,585,271 during 2020. This change was the result of spending down previously received TIF revenue on capital projects.

As of December 31, 2020, the River West TIF Fund balance was 35,004,921, entirely restricted for use in economic development projects.

During 2020, the fund balances in **nonmajor governmental funds** decreased by \$2,505,943, due primarily to the spend-down of previously issued bond proceeds on capital projects.

The total balance in nonmajor governmental funds was \$85,454,734 as of December 31, 2020. 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 ACFR.

Governmental Funds Revenue

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2020, with comparison to the prior year:

	2020 Actual	% of Total	2019 Actual	% of Total
Tax Based				
General Property	\$80,188,143	44.0%	\$82,470,667	46.2%
Local Income Tax	36,897,937	20.2%	34,842,965	19.5%
Hotel/Motel Tax	602,937	0.3%	630,000	0.4%
Total Tax	117,689,017	64.5%	117,943,632	66.1%
Non-Tax Based				
Licenses & Permits	311,100	0.2%	284,048	0.2%
Intergovernmental	33,326,540	18.3%	31,987,992	17.9%
Charges for Services	11,286,157	6.2%	5,658,913	3.2%
Fines and Forfeitures	647,214	0.4%	1,124,570	0.6%
Interest Income	2,152,868	1.2%	5,136,772	2.9%
Other	16,959,591	9.3%	16,237,450	9.1%
Total Non-Tax Based	64,683,470	35.5%	60,429,745	33.9%
Total Revenues	\$182,372,487	100.0%	\$178,373,377	100.0%

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 for City-issued Parks bonds.

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, the City of Mishawaka Common Council, and Saint Joseph County Council (together comprising the local income tax council) have adopted a Local Income Tax rate of 1.75%. The Local Income Tax consists of four components: 0.50% for the expenditure rate–certified shares component (formerly the County Option Income Tax), 0.40% for the economic development component (formerly the Economic Development Income Tax), 0.25% for the public safety component (formerly the Public Safety Local Option Income Tax), and a 0.60% property tax relief component. The property tax relief component of the Local Income Tax does not result in any direct revenue to the City, but rather reduces circuit breaker property tax losses.

The City continues to seek diversified sources of revenue that will reduce its reliance on property and income taxes. 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 \$117,689,017 during 2020 and decreased by \$254,615, or 0.22%, from 2019. Decreases in property tax revenue were driven by the full implementation of the circuit breaker tax credits in St. Joseph County in 2020. Fortunately, these decreases were offset almost entirely by increase in local income tax revenue, including an unexpected supplemental income tax distribution.

Total non-tax-based revenue was \$64,683,470 and increased \$4,253,725, or 7.0%, from 2019. This is due primarily due to the reclassification of EMS and Code Enforcement activities from business-type to governmental, which drove an increase in governmental charges for services.

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, 2020, in comparison to fiscal year 2019.

	2020 Actual	% of Total	2019 Actual	% of Total
General Government	\$14,890,828	7.8%	\$11,714,095	5.4%
Public Safety	77,145,197	40.3%	74,695,638	34.5%
Highways and Streets	18,741,789	9.8%	19,636,991	9.1%
Community & Economic Development	12,593,759	6.6%	20,706,436	9.6%
Culture and Recreation	15,993,587	8.4%	26,106,656	12.1%
Debt Service	20,889,581	10.9%	20,420,060	9.4%
Capital Outlay	31,186,219	16.3%	43,200,250	20.0%
Total Expenditures	\$191,440,960	100.0%	\$216,480,126	100.0%

Governmental fund expenditures in fiscal 2020 of \$191,440,960 decreased by \$25,039,166, or 11.5%, in comparison to governmental fund expenditures in fiscal 2019.

Capital outlay expenditures decreased by \$12,014,031, or 27.8%, during 2020 due primarily to the City’s “MySB Parks and Trails” initiative, which began in 2018 and was largely completed in 2019, leading to a reduction in spending in 2020. This initiative is a significant capital investment.

Public Safety expenditures continue to be the primary use of government fund resources with 40.3% of expenditures used for this purpose in fiscal 2020. Public safety spending is followed by capital outlay expenditures (16.3%), debt service (10.9%), highways and streets (9.8%), culture and recreation (8.4%), general government (7.8%), and community and economic development (6.6%).

Note: “General government” spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, Legal, Controller, Human Resources and Innovation & Technology.

Proprietary funds

Condensed Statement of Net Position
Revenue, Expenses, and Changes in Fund Net Position
As of and for the Year Ended December 31, 2020

	Enterprise Funds					Governmental Activities Proprietary Internal Service
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	
Total assets	\$73,965,808	\$192,270,453	\$17,937,074	\$13,421,513	\$297,594,848	\$23,687,514
Total deferred outflows	698,160	2,093,848	72,335	368,583	3,232,926	790,395
Total liabilities	17,132,860	62,215,190	571,512	4,628,375	84,547,937	9,409,801
Total deferred inflows	1,738,192	1,145,369	90,677	462,047	3,436,285	990,820
Net Position						
Net investment in capital assets	41,143,570	94,638,863	15,821,974	6,821,161	158,425,568	(390,560)
Restricted:						
Debt service	2,327	1,402,108	-	-	1,404,435	-
Customer repair & deposit	1,265,327	2,708,617	-	-	3,973,944	-
Cash with fiscal agent	-	-	-	375,006	375,006	-
Bond reserve	1,425,009	3,990,250	-	-	5,415,259	-
Operating reserve	2,917,284	5,559,627	-	-	8,476,911	-
Capital outlay	7,671,104	13,855,644	983,612	13,153	22,523,513	-
Unrestricted	1,368,295	8,848,633	541,634	1,490,354	12,248,916	14,467,848
Total net position	55,792,916	131,003,742	17,347,220	8,699,674	212,843,552	14,077,288
Operating revenues	21,536,290	39,643,436	1,047,253	7,943,709	70,180,688	33,473,046
Operating expenses	15,318,274	28,272,938	3,513,761	8,970,782	56,075,755	33,659,112
Operating income (loss)	6,218,016	11,380,498	(2,466,508)	(1,027,073)	14,104,933	(185,066)
Non-operating revenues (expenses)	24,202	(1,692,524)	958,391	(11,668)	(721,599)	167,313
Income (loss) before contributions & transfers	6,242,218	9,687,974	(1,508,117)	(1,038,741)	13,383,334	(18,753)
Capital contributions	1,421,046	359,515	361,633	-	2,142,194	-
Transfers in	-	-	-	1,000	1,000	49,417
Transfers out	(1,699,442)	(4,592,349)	(93,939)	(1,716,684)	(8,102,414)	(49,087)
Change in Net Position	5,963,822	5,455,140	(1,240,423)	(2,754,425)	7,424,114	(18,423)
Total Net Position - Beginning (restated)	49,829,094	125,548,602	18,587,643	11,454,099	205,419,438	14,095,711
Total Net Position - Ending	\$55,792,916	\$131,003,742	\$17,347,220	\$8,699,674	\$212,843,552	\$14,077,288

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

The City maintains seven (7) enterprise funds. Information is presented separately in the Proprietary Statement of Net Position, the Proprietary Statement of Revenues and Expenditures, and Changes in Fund Net Position for the Water Utility, Wastewater Utility and Century Center, which are considered major enterprise funds. Data from the other four (4) nonmajor enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, and Emergency Medical Services) are combined into a single, aggregated presentation.

The City maintains seven (7) 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 insurance program, Innovation & Technology and 311 call center, parental leave benefit for City employees, and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, 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. The internal service funds have been combined into a single, aggregated presentation.

As of December 31, 2020, City enterprise funds reported a net position of \$212,843,552 an increase of \$7,424,114, or 3.6%, from the net position as of December 31, 2019.

As of December 31, 2020, enterprise fund net position includes net investment in capital assets of \$158,425,568, restricted net position of \$42,169,068 and unrestricted net position of \$12,248,916.

During 2020, the **Water utility** experienced an increase in net position of \$5,963,822 and the **Wastewater utility** experienced an increase in net position of \$5,455,140. The Water utility experienced increased operating revenues of \$1,130,234 while the Wastewater utility experienced a decrease in operating revenue of \$1,671,343.

During 2020, **Century Center** experienced a decrease in net position of \$1,240,423. Due to the COVID-19 pandemic, the Century Center spent the majority of 2020 closed for conventions and therefore suffered a 68% decrease in operating revenue. Although expenses were reduced as much as possible, the revenue decrease did result in a loss from operations and a corresponding decrease in net position.

Nonmajor Enterprise Funds experienced a decrease in net position of \$2,754,425 during 2020, which was due to a slowdown in services stemming from the COVID-19 pandemic and due to the reclassification of EMS activities from proprietary funds to a governmental fund. The **Parking Garage Fund** reported a decrease in net position of \$369,072. The **Consolidated Building Fund** reported a decrease in net position of \$175,834 during 2020. The **Solid Waste Fund** reported a decrease in net position of \$410,715, and continues to accumulate capital lease debt to finance new trash trucks. **Emergency Medical Service** reported a decrease in net position of \$1,798,804, as a result of the adjustment of EMS activities.

Internal Services Funds reported net position of \$14,077,288 as of December 31, 2020, a decrease of \$18,423, or 0.13%, compared to net position as of December 31, 2019. The **Liability Insurance Fund** decreased in net position by \$340,617 in 2020. The **Central Services Fund** increased its net position by \$426,977. The **Self-Funded Employee Benefits Fund** increased in net position by \$774,820 due to lower-than-expected healthcare costs. 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 negative net position of \$(909,269) as of December 31, 2020, a decrease of \$806,049 over the end of 2019.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City maintains three fiduciary funds, which consist of two pension trust funds (1925 Police Officers’ Pension and 1937 Firefighters’ Pension) and one custodial fund (Police Distributions Payable).

	Pension Trust Funds	Custodial Fund
Total assets	\$1,023,590	\$ 894,848
Total liabilities	12,142	894,848
Net position restricted for pensions	1,011,448	-
Total additions	10,384,285	-
Total deductions	10,412,225	-
Net increase (decrease) in net position held in trust	\$ (27,940)	\$ -

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 net position maintained in 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. 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 Department and Fire Department 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 law concerning the annual budget of second class cities and towns. The Common Council adopted the 2020 budget at its meeting held in October 2019.

The General Fund budget applicable for fiscal 2020 is reported as follows:

	Original <i>(inclusive of encumbrances carried forward)</i>	Final	Actual Budgetary Basis	Variance
Revenues / Transfers In	\$71,394,042	\$75,052,871	\$74,286,679	\$(766,192)
Expenditures / Transfers Out	72,214,876	72,546,266	66,534,958	\$6,011,308
Surplus (Deficit)	\$(820,834)	\$2,506,605	\$7,751,721	\$5,245,116

General Fund revenues/transfers in was originally budgeted at \$71,394,042 for fiscal 2020. During the year, the General Fund budget for revenue/transfers in was increased by \$3,658,829 to \$75,052,871. The budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget with actual results, the City is able to increase the meaningfulness of its analysis. The revenue/transfers in budget was increased primarily due to an increase in the property tax estimate because of higher collections than anticipated.

During 2020, the General Fund collected \$74,286,679 in revenues/transfers in on a budgetary basis, which was \$2,892,637 higher than the original budget. This difference is 4.0% higher than the original budget. This increase over budget is due mainly to the receipt of a little more than \$3 million in funding from the CARES Act in 2020, which was used primarily to fund salary expense for police officers and firefighters.

General Fund expenditures/transfers out were originally budgeted at \$72,214,876 for fiscal 2020, which included roughly \$820,000 in encumbrances that were carried forward from a previous year. During the year, the General Fund expenditure/transfers out budgets were increased by \$331,390 to \$72,546,266.

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 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 2020, 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 as deemed necessary by the Mayor are presented to the Common Council for adoption.

General Fund expenditures/transfers out incurred on a budgetary basis, including cash expended and outstanding encumbrances as of year-end December 31, 2020, amounted to \$66,534,958. The expenditures/transfers out and commitments as of year-end December 31, 2020 are less than the 2020 amended General Fund budget by \$6,011,308 or 8.3%. The largest savings were in the Police Department and Fire Department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors.

Capital Assets and Debt Administration

Capital Assets of the Primary Government

	Governmental Activities		Business-type Activities		Government-wide	
	2020	2019 (restated)	2020	2019 (restated)	2020	2019 (restated)
Assets not depreciated						
Land	\$14,496,141	\$14,496,141	\$2,586,613	\$2,586,613	\$17,082,754	\$17,082,754
Construction in Progress	13,723,541	31,060,479	7,939,233	6,408,019	21,662,774	37,468,498
Total	28,219,682	45,556,620	10,525,846	8,994,632	38,745,528	54,551,252
Assets depreciated						
Buildings	138,289,640	133,603,315	81,937,260	80,918,366	220,226,900	214,521,681
Non-building improvements	42,072,478	21,421,332	27,112,178	26,920,828	69,184,656	48,342,160
Machinery and Equipment	54,129,803	54,135,418	39,855,203	38,921,529	93,985,006	93,056,947
Roads and Infrastructure	482,176,059	478,788,961	237,041,548	233,323,602	719,217,607	712,112,563
Total Cost	716,667,980	687,949,026	385,946,189	380,084,325	1,102,614,169	1,068,033,351
Accumulated Depreciation						
Buildings	59,574,451	55,816,480	41,624,225	39,512,695	101,198,676	95,329,175
Non-building improvements	12,693,293	11,647,399	11,048,779	9,801,239	23,742,072	21,448,638
Machinery and Equipment	40,148,007	37,549,941	26,516,310	23,668,462	66,664,317	61,218,403
Roads and Infrastructure	353,694,281	340,699,917	89,862,870	84,342,115	443,557,151	425,042,032
Total Accum. Depreciation	466,110,032	445,713,737	169,052,184	157,324,511	635,162,216	603,038,248
Net Depreciated Assets	250,557,948	242,235,289	216,894,005	222,759,814	467,451,953	464,995,103
Net Capital Assets	\$278,777,630	\$287,791,909	\$227,419,851	\$231,754,446	\$506,197,481	\$519,546,355

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 Financial Statements.

Under the category of roads and infrastructure, the current cost amount of \$719,217,607 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 2020

Included in capital asset additions for 2020 were the following major projects:

- Fire Department: Fire Station #9 (\$3,681,703)
- Venues Parks & Arts: Howard Park improvements (\$18,028,743)

- Venues Parks & Arts: Riverwalk from Beyer St. to Howard Park (\$2,837,718)
- Venues Parks & Arts: Pinhook Park Improvements (\$1,432,696)
- Streets: Western Avenue Streetscape, Phase III (\$2,885,402)
- Water: Olive Water Treatment Plant Improvements (\$1,477,788)
- Wastewater: Wastewater Treatment Plant Electrical Improvements (\$2,999,693)

Capital Assets Analysis

As of December 31, 2020, government-wide capital assets were valued at \$506,197,481, net of accumulated depreciation, a decrease of \$13,348,874, or 2.56%, since December 31, 2019. Construction in Progress decreased by \$15,805,724 and capitalized assets in land, buildings, improvements, machinery and equipment, and roads increased by \$2,456,850, net of depreciation, since December 31, 2019.

As of December 31, 2020, the cost of Roads & Infrastructure (\$719,217,607) was the major asset class followed by Buildings (\$220,226,900) and Machinery & Equipment (\$93,985,006).

Total depreciation expense was \$34,106,851 for 2020, as compared to \$32,649,270 for 2019. Depreciation expense was \$22,000,086 for governmental activities and \$12,106,765 for business-type activities for 2020.

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, 2020 was \$230,633,892, a decrease of \$13,975,785, or 5.7% from 2019. City outstanding debt includes general obligation bonds, revenue bonds, mortgage bonds, notes and loans payable and capital leases.

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
Governmental Activities				
General Obligation Bonds	18,010,537	-	(1,005,382)	17,005,155
Revenue Bonds	122,084,649	4,345,059	(7,609,395)	118,820,313
Mortgage Bonds	10,659,268	-	(2,269,696)	8,389,572
Notes and Loans	3,761,150	-	(355,246)	3,405,904
Capital Leases	11,959,268	6,226,388	(4,472,902)	13,712,755
Total Governmental Activities Debt	166,474,873	10,571,447	(15,712,621)	161,333,699
Business-Type Activities				
Revenue Bonds	71,235,075	5,735,887	(12,641,136)	64,329,826
Mortgage Bonds	120,368	-	(79,597)	40,771
Notes and Loans	2,016,089	-	(199,656)	1,816,433
Capital Leases	4,763,272	375,000	(2,025,109)	3,113,163
Total Business-Type Activities Debt	78,134,804	6,110,887	(14,945,498)	69,300,193
Total Debt	\$244,609,677	\$16,682,334	\$(30,658,119)	\$230,633,892

During 2020, the City entered into capital lease agreements in the amount of \$6,601,388 to purchase certain vehicles 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, fire trucks, ambulances, garbage trucks, 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 2020 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 1/3 of the total assessed value of real and personal property. The City issued two bonds in 2020 – a refunding of a 2010 Sewage Works Revenue bond (new principal amount: \$4,830,000) and a TIF bond to support the Community Learning Center project at the St. Joseph County Public Library (\$4,225,000). Neither of these debt issuances are not subject to the constitutional 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 the Financial Statements in Note 8 - Leases and Note 9 - Long-term Debt.

Significant Subsequent Events

There are four events that occurred subsequent to the end of 2020 that might have a material impact on the interpretation of the City's financial position:

1. On March 11, 2021, President Joe Biden signed into law the American Rescue Plan Act of 2021, in response to the ongoing COVID-19 pandemic. This Act includes a variety of provisions that are expected to directly benefit the City of South Bend's financial position, including substantial direct payments to local governments with more than 50,000 residents (such as South Bend). In May of 2021, the City learned that it was allocated \$58,910,047 from the American Rescue Plan Act, and received the first payment in the amount of \$29,455,023.50 in 2021.
2. On May 12, 2021, the City of South Bend Building Corporation issued bonds in the amount of \$7,610,000 to finance the purchase of certain assets from the City. Those assets were then leased back to the City over a period of 15 years, which matches the schedule of bond repayment. The City intends to use the proceeds from the sale of the assets to reconstruct or repair roads in the City and to complete certain other infrastructure improvements.
3. On August 20, 2021, the City of South Bend reached an agreement with the United States Department of Justice (DOJ), United States Environmental Protection Agency (EPA) and the Indiana Department of Environmental Management (IDEM) for an amended Clean Water Act consent decree. The City's original Combined Sewer Overflow (CSO) long-term plan, approved by the DOJ and EPA in 2012, required \$713 Million capital improvements to the sewer system by the end of 2031. The City has been renegotiating this federally mandated plan since 2018 to reduce the burden on ratepayers to fund the improvements. The City's revised plan, SAGE – Smarter Alternative for a Greener Environment – uses data and analytics from the Smart Sewers sensor network to exceed the requirement of the federal CSO policy and provide cost savings. The SAGE Plan will cost \$276 million to implement and reduces the City's original financial commitment by \$437 million. The new consent decree also provides more time for the City to implement capital improvements, now required by the end of 2038.
4. On September 24, 2021, the City of South Bend issued sewage works revenue bonds in the amount of \$12,450,000, intended to cover the refunding of two outstanding bond issuances – the Sewage Works Revenue Bonds of 2009 (outstanding principal: \$1,603,282) and the Sewage Works Revenue Bonds of 2011 (outstanding principal: \$13,560,000). This refunding transaction resulted

in a net present value savings of \$2,059,472 in principal and interest payments over the next 10 years.

Economic Factors and 2020 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 2020, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$39.9 million in taxable property tax levy due to the circuit breaker caps (Department of Local Government Finance, 2020 St. Joseph County Circuit Breaker Report).

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 position of fiscal conservatism. 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.

Job creation is the primary engine to drive economic recovery. Although the economic outlook for 2021 and 2022 is stronger, given the increased availability of vaccines for the COVID-19 virus and the corresponding easing of restrictions on gatherings and business, the City still operates in an environment of significant economic difficulty. Therefore, the 2021 budget and the budgets for future will likely be amended to reflect lower revenue estimates and increased need for economic stimulus. Particularly with the passage of the American Recovery Plan in early 2021, the City has the opportunity to invest in large-scale economic development and infrastructure projects to attempt to change the trajectory of the local economy and put the City back on the path to growth.

2021 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. In the spirit of fiscal responsibility, the City has engaged in a process of program budgeting for the 2020 and 2021 budgets. This program budgeting is in addition to the state-required fund and account budgeting through the Indiana Department of Local Government Finance.

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 2022 that will remain fiscally responsible to the effective delivery of required services to City residents and stakeholders within the existing revenue constraints, as well as new revenue constraints imposed by the uncertain economic conditions we now face.

Specific concerns for the 2021 budget include the continuing impact of Circuit Breaker property tax reform on City revenue, the need for economic stimulus in our City and the need to address ever-increasing public safety costs, 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 Annual Comprehensive 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, 2020.

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

Daniel T. Parker, Controller
City of South Bend
Department of Administration and Finance
227 W. Jefferson Blvd., 12th Floor
South Bend, IN 46601

Telephone (574) 235-9822
Email dparker@southbendin.gov

December 31, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 90,240,724	\$ 7,850,112	\$ 98,090,836	\$ 1,486,781
Investments	147,280,684	14,113,687	161,394,371	-
Receivables:				
Accounts	1,672,471	4,896,934	6,569,405	50,610
Interest	194,884	51,242	246,126	-
Allowance for doubtful accounts	-	(160,100)	(160,100)	-
Loans	6,110,826	-	6,110,826	-
Lease	-	-	-	945,429
Internal balances	48,175	(48,175)	-	-
Inventory	865,663	908,864	1,774,527	516,667
Prepaid expenses	1,229,587	27,546	1,257,133	-
Restricted assets	-	42,169,068	42,169,068	-
Property held for resale	8,983,074	-	8,983,074	-
Capital assets:				
Assets not subject to depreciation	28,219,682	10,525,846	38,745,528	1,506,588
Assets subject to depreciation - net	250,557,948	216,894,005	467,451,953	27,005,689
Total assets	<u>535,403,718</u>	<u>297,229,029</u>	<u>832,632,747</u>	<u>31,511,764</u>
Deferred outflows of resources				
Unamortized loss on refunding	2,366,680	1,224,578	3,591,258	-
Deferred outflows related to pensions	14,486,537	1,136,164	15,622,701	416,492
Deferred outflows related to OPEB	4,908,707	872,184	5,780,891	-
Total deferred outflows of resources	<u>21,761,924</u>	<u>3,232,926</u>	<u>24,994,850</u>	<u>416,492</u>
Liabilities				
Accounts payable	5,651,717	1,920,130	7,571,847	265,503
Due to other governmental units	677,300	-	677,300	-
Performance deposits payable	109,475	7,000	116,475	-
Accrued liabilities and other:				
Accrued payroll payable	2,405,644	427,957	2,833,601	58,879
Accrued interest payable	2,251,526	144,484	2,396,010	-
Taxes payable	287,638	121,582	409,220	-
Customer deposits payable	408,451	2,011,857	2,420,308	-
Unearned revenue	5,426	-	5,426	51,563
Other current payables	57,093	51,975	109,068	108,869
Noncurrent liabilities:				
Due within one year:				
Compensated absences	5,680,180	690,306	6,370,486	267,696
Claims payable	2,812,059	-	2,812,059	-
Notes and loans payable	326,878	205,396	532,274	386,243
General obligation bonds payable	1,030,000	-	1,030,000	-
Mortgage bonds payable	1,959,410	40,771	2,000,181	-
Capital leases	5,013,111	1,477,227	6,490,338	-
Revenue bonds payable	8,269,344	7,065,000	15,334,344	-
Due in more than one year:				
Notes and loans payable	3,079,026	1,611,037	4,690,063	-
General obligation bonds payable	15,975,155	-	15,975,155	-
Mortgage bonds payable	6,430,162	-	6,430,162	-
Capital leases	8,699,643	1,635,935	10,335,578	-
Revenue bonds payable	110,550,969	57,264,826	167,815,795	-
Net pension liability	163,886,898	5,253,977	169,140,875	46,080
Total OPEB liability	<u>23,934,243</u>	<u>4,252,658</u>	<u>28,186,901</u>	<u>-</u>
Total liabilities	<u>369,501,348</u>	<u>84,182,118</u>	<u>453,683,466</u>	<u>1,184,833</u>

Statement of Net Position (Continued)

December 31, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit
Deferred inflows of resources				
Unamortized gain on refunding	580,958	918,669	1,499,627	-
Deferred inflows related to pensions	7,859,833	1,185,268	9,045,101	1,551,165
Deferred inflows related to OPEB	7,498,545	1,332,348	8,830,893	-
Total deferred inflows of resources	<u>15,939,336</u>	<u>3,436,285</u>	<u>19,375,621</u>	<u>1,551,165</u>
Net position				
Net investment in capital assets	128,432,152	158,425,568	286,857,720	28,508,842
Restricted:				
Debt service	11,810,879	1,404,435	13,215,314	-
Customer repair and deposit	-	3,973,944	3,973,944	-
Cash with fiscal agent	-	375,006	375,006	-
Bond reserve	-	5,415,259	5,415,259	-
Operating reserve	-	8,476,911	8,476,911	-
Capital outlay	-	22,523,513	22,523,513	-
Unrestricted	<u>31,481,927</u>	<u>12,248,916</u>	<u>43,730,843</u>	<u>683,416</u>
Total net position	<u>\$ 171,724,958</u>	<u>\$ 212,843,552</u>	<u>\$ 384,568,510</u>	<u>\$ 29,192,258</u>

Statement of Activities
For the Year Ended December 31, 2020

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 15,594,628	\$ 635,786	\$ 384,831	\$ -	\$ (14,574,011)	\$ -	\$ (14,574,011)	\$ -
Public safety	71,038,475	5,940,878	13,927,187	-	(51,170,410)	-	(51,170,410)	-
Highways and streets	30,954,585	690,372	1,204,115	-	(29,060,098)	-	(29,060,098)	-
Community and economic development	33,591,809	1,391,715	3,931,325	-	(28,268,769)	-	(28,268,769)	-
Culture and recreation	18,219,658	3,180,546	691,667	949,034	(13,398,411)	-	(13,398,411)	-
Interest on long-term debt	5,928,006	-	-	-	(5,928,006)	-	(5,928,006)	-
Total governmental activities	<u>175,327,161</u>	<u>11,839,297</u>	<u>20,139,125</u>	<u>949,034</u>	<u>(142,399,705)</u>	<u>-</u>	<u>(142,399,705)</u>	<u>-</u>
Business-type activities:								
Water utility	15,426,501	21,536,290	-	1,421,046	-	7,530,835	7,530,835	-
Wastewater utility	30,400,218	39,653,436	-	359,515	-	9,612,733	9,612,733	-
Century center	3,513,761	1,047,253	-	361,633	-	(2,104,875)	(2,104,875)	-
Consolidated building	1,500,424	1,302,594	-	-	-	(197,830)	(197,830)	-
Parking garage	1,262,908	885,672	-	-	-	(377,236)	(377,236)	-
Solid waste	6,169,271	5,754,646	-	-	-	(414,625)	(414,625)	-
Emergency medical services	91,057	797	-	-	-	(90,260)	(90,260)	-
Total business-type activities	<u>58,364,140</u>	<u>70,180,688</u>	<u>-</u>	<u>2,142,194</u>	<u>-</u>	<u>13,958,742</u>	<u>13,958,742</u>	<u>-</u>
Total primary government	<u>\$ 233,691,301</u>	<u>\$ 82,019,985</u>	<u>\$ 20,139,125</u>	<u>\$ 3,091,228</u>	<u>\$ (142,399,705)</u>	<u>\$ 13,958,742</u>	<u>\$ (128,440,963)</u>	<u>\$ -</u>
Component unit:								
South Bend Public Transportation Corp.	\$ 12,905,984	\$ 1,049,261	\$ 6,846,087	\$ 829,684	\$ -	\$ -	\$ -	\$ (4,180,952)
General revenues:								
Taxes:								
Property taxes					80,188,143	-	80,188,143	3,979,559
Income taxes					36,897,937	-	36,897,937	-
Hotel/motel taxes					602,937	956,250	1,559,187	-
State-shared revenue					12,242,415	-	12,242,415	-
Unrestricted investment income					2,152,868	639,006	2,791,874	7,996
Gain (loss) on sale of capital assets					80,339	(28,470)	51,869	-
Other miscellaneous income					17,917,905	-	17,917,905	-
Total general revenues					<u>150,082,544</u>	<u>1,566,786</u>	<u>151,649,330</u>	<u>3,987,555</u>
Transfers					<u>8,101,414</u>	<u>(8,101,414)</u>	<u>-</u>	<u>-</u>
Change in net position					<u>15,784,253</u>	<u>7,424,114</u>	<u>23,208,367</u>	<u>(193,397)</u>
Net position as previously reported					<u>134,603,107</u>	<u>219,994,966</u>	<u>354,598,073</u>	<u>29,385,655</u>
Restatement					<u>21,337,598</u>	<u>(14,575,528)</u>	<u>6,762,070</u>	<u>-</u>
Net position - Beginning of year as restated					<u>155,940,705</u>	<u>205,419,438</u>	<u>361,360,143</u>	<u>29,385,655</u>
Net position - End of year					<u>\$ 171,724,958</u>	<u>\$ 212,843,552</u>	<u>\$ 384,568,510</u>	<u>\$ 29,192,258</u>

December 31, 2020

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Assets									
Cash and cash equivalents	\$ 17,717,492	\$ 1,398,370	\$ 1,353,655	\$ 5,918,577	\$ 6,225,833	\$ 3,545,701	\$ 10,949,284	\$ 36,467,564	\$ 83,576,476
Investments	36,139,516	2,795,466	2,733,194	9,016,905	12,865,877	7,327,301	18,159,434	44,507,620	133,545,313
Receivables:									
Accounts	1,497,107	9,354	-	-	-	-	-	67,031	1,573,492
Interest	48,188	3,727	3,645	12,023	17,155	9,770	24,214	57,847	176,569
Loans	-	-	-	-	-	-	655,000	5,455,826	6,110,826
Advances to other funds	-	-	-	380,253	-	-	-	1,979,519	2,359,772
Inventory	-	16,958	-	-	-	-	-	-	16,958
Property held for resale	-	-	-	175,000	270,001	-	5,722,536	2,815,537	8,983,074
Total assets	<u>\$ 55,402,303</u>	<u>\$ 4,223,875</u>	<u>\$ 4,090,494</u>	<u>\$ 15,502,758</u>	<u>\$ 19,378,866</u>	<u>\$ 10,882,772</u>	<u>\$ 35,510,468</u>	<u>\$ 91,350,944</u>	<u>\$ 236,342,480</u>
Liabilities									
Accounts payable	\$ 502,577	\$ 181,250	\$ -	\$ 665,407	\$ 108,104	\$ -	\$ 452,522	\$ 2,790,782	\$ 4,700,642
Due to other funds	19,414	32,138	-	-	359	-	-	2,207	54,118
Due to other governments	677,300	-	-	-	-	-	-	-	677,300
Advances from other funds	-	-	-	-	-	-	-	2,359,772	2,359,772
Performance deposits payable	68,950	-	-	-	6,000	-	23,025	11,500	109,475
Accrued liabilities and other:									
Accrued payroll payable	1,502,664	231,268	260,930	-	-	-	-	264,879	2,259,741
Taxes payable	178,947	28,745	31,055	-	-	-	-	31,526	270,273
Other current payables	-	-	-	-	-	-	30,000	27,093	57,093
Customer deposits	-	-	-	-	-	-	-	408,451	408,451
Total liabilities	<u>2,949,852</u>	<u>473,401</u>	<u>291,985</u>	<u>665,407</u>	<u>114,463</u>	<u>-</u>	<u>505,547</u>	<u>5,896,210</u>	<u>10,896,865</u>
Deferred inflows of resources									
- unavailable revenue	1,426,435	-	-	-	-	-	-	-	1,426,435
Fund balances									
Nonspendable	-	16,958	-	555,253	270,001	-	5,722,536	4,795,056	11,359,804
Restricted	-	3,733,516	3,798,509	-	-	-	29,282,385	72,453,693	109,268,103
Committed	-	-	-	-	-	-	-	6,177,133	6,177,133
Assigned	820,834	-	-	14,282,098	18,994,402	10,882,772	-	2,028,852	47,008,958
Unassigned	50,205,182	-	-	-	-	-	-	-	50,205,182
Total fund balances	<u>51,026,016</u>	<u>3,750,474</u>	<u>3,798,509</u>	<u>14,837,351</u>	<u>19,264,403</u>	<u>10,882,772</u>	<u>35,004,921</u>	<u>85,454,734</u>	<u>224,019,180</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,402,303</u>	<u>\$ 4,223,875</u>	<u>\$ 4,090,494</u>	<u>\$ 15,502,758</u>	<u>\$ 19,378,866</u>	<u>\$ 10,882,772</u>	<u>\$ 35,510,468</u>	<u>\$ 91,350,944</u>	<u>\$ 236,342,480</u>

Governmental Funds
 Reconciliation of the Balance Sheet to the Statement of Net Position
 December 31, 2020

Fund balances reported in governmental funds	\$ 224,019,180
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	277,718,548
Prepaid expenses are not available to pay for current period expenditures, and therefore are not reported in the funds	70,695
Deferred outflows on refunding are not due and payable in the current period and are not reported in the funds	2,366,680
Deferred outflows related to pensions are not due and payable in the current period and are not reported in the funds	14,039,394
Deferred outflows related to OPEB are not due and payable in the current period and are not reported in the funds	4,565,455
Notes and loans payable, general obligation bonds 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	(159,884,056)
Accrued interest is not due and payable in the current period and is not reported in the funds	(2,242,269)
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	(5,398,692)
Receipt of funds in advance of recognition increases fund balance in the governmental funds, but is reported as a liability in the government-wide statements.	(5,426)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(161,819,169)
Total OPEB liability does not present a claim on current financial resources and is not reported as fund liability	(22,260,589)
Deferred inflows on refunding are not receivable and not available to pay current period expenditures, and thus not included in the governmental fund balance	(580,958)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(7,393,365)
Deferred inflows of resources related to OPEB do not present a claim on current financial resources and are not reported as fund liabilities	(6,974,193)
Future inflows related to EMS Medicaid revenue and other inflows are not reported as revenue in the governmental funds until they become available to finance current period expenditures	1,426,435
Internal service funds are included as part of governmental activities	<u>14,077,288</u>
Net position of governmental activities	<u>\$ 171,724,958</u>

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2020

	General	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Revenues									
Property taxes	\$ 40,660,123	\$ 9,566,845	\$ -	\$ -	\$ -	\$ -	\$ 16,814,400	\$ 13,146,775	\$ 80,188,143
Income taxes	-	-	9,703,297	13,764,809	13,405,714	-	-	24,117	36,897,937
Hotel/motel taxes	-	-	-	-	-	-	381,500	221,437	602,937
Licenses and permits	280,425	-	-	-	-	-	-	30,675	311,100
Intergovernmental	14,793,122	1,552,680	-	-	12,500	-	13,844	16,954,394	33,326,540
Charges for services	4,209,701	2,688,838	-	-	-	-	-	4,387,618	11,286,157
Fines and forfeitures	4,998	-	-	-	-	-	-	642,216	647,214
Investment income	431,563	18,908	41,755	133,280	196,937	112,673	245,842	971,910	2,152,868
Other	11,477,262	1,160,551	-	262,647	151,188	-	137,908	3,770,035	16,959,591
Total revenues	71,857,194	14,987,822	9,745,052	14,160,736	13,766,339	112,673	17,593,494	40,149,177	182,372,487
Expenditures									
Current:									
General government	7,393,448	-	-	2,943,974	-	-	-	4,553,406	14,890,828
Public safety	61,709,319	-	8,934,020	40,000	2,766,561	-	-	3,695,297	77,145,197
Highways and streets	2,859,671	-	-	1,739,670	35,749	-	-	14,106,699	18,741,789
Community and economic development	-	-	-	79,076	1,297,812	-	1,598,588	9,618,283	12,593,759
Culture and recreation	1,039,458	13,742,830	-	960,062	-	-	-	251,237	15,993,587
Capital outlay:									
Public safety	-	-	-	706,168	-	-	-	2,251,619	2,957,787
Highways and streets	-	-	-	-	-	-	-	2,417,584	2,417,584
Community and economic development	-	-	-	33,933	5,000	-	11,982,728	8,926,784	20,948,445
Culture and recreation	-	465,800	-	-	-	-	-	4,396,603	4,862,403
Debt service:									
Principal	149,934	504,636	-	1,364,172	301,441	-	3,650,570	8,598,257	14,569,010
Interest on long-term debt	3,937	47,338	-	59,809	219,669	-	1,028,219	4,659,838	6,018,810
Bond issuance costs	-	-	-	-	-	-	301,761	-	301,761
Total expenditures	73,155,767	14,760,604	8,934,020	7,926,864	4,626,232	-	18,561,866	63,475,607	191,440,960
Excess of revenues (under) over expenditures	(1,298,573)	227,218	811,032	6,233,872	9,140,107	112,673	(968,372)	(23,326,430)	(9,068,473)
Other financing sources (uses)									
Issuance of debt	-	86,961	-	2,262,160	-	-	4,225,000	3,518,948	10,093,069
Premium on debt	-	-	-	-	-	-	120,059	-	120,059
Proceeds from sale of capital assets	-	2,162	-	59,271	-	-	-	18,906	80,339
Proceeds from sale of investments	-	-	-	-	2,084	-	85,000	-	87,084
Transfers in	9,200,568	800,000	-	-	-	-	38,064	24,087,106	34,125,738
Transfers out	(175,579)	(11,799)	-	(6,361,491)	(7,586,290)	-	(5,085,022)	(6,804,473)	(26,024,654)
Total other financing sources (uses)	9,024,989	877,324	-	(4,040,060)	(7,584,206)	-	(616,899)	20,820,487	18,481,635
Net change in fund balances	7,726,416	1,104,542	811,032	2,193,812	1,555,901	112,673	(1,585,271)	(2,505,943)	9,413,162
Fund balances as previously reported	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	82,800,751	209,446,092
Restatement	-	-	-	-	-	-	-	5,159,926	5,159,926
Fund balances - Beginning of year as restated	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	87,960,677	214,606,018
Fund balances - End of year	\$ 51,026,016	\$ 3,750,474	\$ 3,798,509	\$ 14,837,351	\$ 19,264,403	\$ 10,882,772	\$ 35,004,921	\$ 85,454,734	\$ 224,019,180

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds

For the Year Ended December 31, 2020

Net change in fund balances - Total governmental funds	\$ 9,413,162
Amount 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	41,363,982
Depreciation expense	(21,867,897)
Net book value of assets disposed and transferred	(28,378,175)
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	15,177
Issuance of debt (from notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases) provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(10,093,069)
Premium on debt proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(120,059)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	14,569,010
Other adjustments related to debt premiums, discounts, deferred inflows of resources, and deferred outflows of resources	406,547
Changes in accrued interest payable and other	(13,983)
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	631,988
Recognition of revenue previously received and available, and thus previously recognized in the governmental funds	7,705
Changes in the total OPEB liability 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	(622,136)
Future receipts of EMS Medicaid revenue and other revenues are not available to pay current period expenditures, and thus is not included in governmental fund balance	545,435
Changes in the net pension liabilities and related deferred inflows and outflows of resources 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	9,944,989
Internal service funds are included as part of governmental activities - Change in net position	<u>(18,423)</u>
Change in net position of governmental activities	<u>\$ 15,784,253</u>

Proprietary Funds
Statement of Net Position
December 31, 2020

	Enterprise Funds				Total	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Proprietary Internal Service
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,604,415	\$ 4,115,586	\$ 978,510	\$ 1,151,601	\$ 7,850,112	\$ 6,664,248
Investments	3,268,207	8,443,984	40,398	2,361,098	14,113,687	13,735,371
Receivables:						
Accounts	1,292,801	2,950,332	66,460	587,341	4,896,934	98,979
Interest	16,266	32,334	54	2,588	51,242	18,315
Allowance for doubtful accounts	(50,000)	(85,100)	-	(25,000)	(160,100)	-
Due from other funds	67,644	-	-	-	67,644	103,922
Advances to other funds	-	250,000	-	-	250,000	-
Inventory	694,008	174,434	40,422	-	908,864	848,705
Prepaid expenses	3,461	16,423	5,644	2,018	27,546	1,158,892
Total current assets	6,896,802	15,897,993	1,131,488	4,079,646	28,005,929	22,628,432
Noncurrent assets:						
Restricted assets	13,281,051	27,516,246	983,612	388,159	42,169,068	-
Capital assets:						
Assets not subject to depreciation	940,524	7,466,797	713,434	1,405,091	10,525,846	-
Assets subject to depreciation	52,847,431	141,389,417	15,108,540	7,548,617	216,894,005	1,059,082
Total noncurrent assets	67,069,006	176,372,460	16,805,586	9,341,867	269,588,919	1,059,082
Total assets	73,965,808	192,270,453	17,937,074	13,421,513	297,594,848	23,687,514
Deferred outflows of resources						
Unamortized loss on refunding	44,412	1,180,166	-	-	1,224,578	-
Deferred outflows related to pensions	369,839	516,889	40,921	208,515	1,136,164	447,143
Deferred outflows related to OPEB	283,909	396,793	31,414	160,068	872,184	343,252
Total deferred outflows of resources	698,160	2,093,848	72,335	368,583	3,232,926	790,395
Liabilities						
Current liabilities:						
Accounts payable	553,419	1,142,239	34,340	190,132	1,920,130	951,075
Due to other funds	-	5,645	4,814	105,360	115,819	1,629
Advances from other funds	-	-	-	250,000	250,000	-
Performance deposits payable	-	-	-	7,000	7,000	-
Accrued liabilities and other:						
Accrued payroll payable	124,712	204,396	26,930	71,919	427,957	145,903
Accrued interest payable	4,414	129,799	-	10,271	144,484	9,257
Taxes payable	83,963	27,048	2,011	8,560	121,582	17,365
Customer deposits payable	1,261,056	648,353	102,448	-	2,011,857	-
Other current payables	-	25,647	26,328	-	51,975	-
Compensated absences	240,613	309,578	32,241	107,874	690,306	281,488
Claims payable	-	-	-	-	-	2,812,059
Notes and loans payable	23,877	181,519	-	-	205,396	-
Mortgage bonds payable	-	40,771	-	-	40,771	-
Capital leases	296,671	294,414	-	886,142	1,477,227	627,020
Revenue bonds payable	1,070,000	5,995,000	-	-	7,065,000	-
Total current liabilities	3,658,725	9,004,409	229,112	1,637,258	14,529,504	4,845,796
Noncurrent liabilities:						
Notes and loans payable	220,712	1,390,325	-	-	1,611,037	-
Capital leases	201,048	188,482	-	1,246,405	1,635,935	822,622
Revenue bonds payable	9,957,820	47,307,006	-	-	57,264,826	-
Net pension liability	1,710,250	2,390,255	189,232	964,240	5,253,977	2,067,729
Total OPEB liability	1,384,305	1,934,713	153,168	780,472	4,252,658	1,673,654
Total noncurrent liabilities	13,474,135	53,210,781	342,400	2,991,117	70,018,433	4,564,005
Total liabilities	17,132,860	62,215,190	571,512	4,628,375	84,547,937	9,409,801

Proprietary Funds
Statement of Net Position (Continued)
December 31, 2020

	Enterprise Funds				Total	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Proprietary Internal Service
Deferred inflows of resources						
Unamortized gain on refunding	918,669	-	-	-	918,669	-
Deferred inflows related to pensions	385,823	539,228	42,690	217,527	1,185,268	466,468
Deferred inflows related to OPEB	433,700	606,141	47,987	244,520	1,332,348	524,352
Total deferred inflows of resources	<u>1,738,192</u>	<u>1,145,369</u>	<u>90,677</u>	<u>462,047</u>	<u>3,436,285</u>	<u>990,820</u>
Net position						
Net investment in capital assets	41,143,570	94,638,863	15,821,974	6,821,161	158,425,568	(390,560)
Restricted:						
Debt service	2,327	1,402,108	-	-	1,404,435	-
Customer repair and deposit	1,265,327	2,708,617	-	-	3,973,944	-
Cash with fiscal agent	-	-	-	375,006	375,006	-
Bond reserve	1,425,009	3,990,250	-	-	5,415,259	-
Operating reserve	2,917,284	5,559,627	-	-	8,476,911	-
Capital outlay	7,671,104	13,855,644	983,612	13,153	22,523,513	-
Unrestricted	<u>1,368,295</u>	<u>8,848,633</u>	<u>541,634</u>	<u>1,490,354</u>	<u>12,248,916</u>	<u>14,467,848</u>
Total net position	<u>\$ 55,792,916</u>	<u>\$ 131,003,742</u>	<u>\$ 17,347,220</u>	<u>\$ 8,699,674</u>	<u>\$ 212,843,552</u>	<u>\$ 14,077,288</u>

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2020

	Enterprise Funds					Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service
Operating revenues						
Metered revenue	\$ 14,776,124	\$ 38,884,419	\$ -	\$ -	\$ 53,660,543	\$ -
Convention fees	-	-	932,933	-	932,933	-
Fire protection revenue	3,129,972	-	-	-	3,129,972	-
Licenses and permits	-	-	-	1,301,033	1,301,033	-
Interest and penalty charges	20,491	146,487	-	-	166,978	-
Parking fees	-	-	39,907	883,204	923,111	-
Solid waste fees	-	-	-	5,656,106	5,656,106	-
Employee/employer contributions	-	-	-	-	-	25,704,009
Charges for sales and services	-	-	-	-	-	6,923,361
Water leak insurance revenue	1,042,211	-	-	-	1,042,211	-
Charges to other funds	1,788,327	390,049	68,478	-	2,246,854	122,143
Other	779,165	232,481	5,935	103,366	1,120,947	723,533
Total operating revenues	<u>21,536,290</u>	<u>39,653,436</u>	<u>1,047,253</u>	<u>7,943,709</u>	<u>70,180,688</u>	<u>33,473,046</u>
Operating expenses						
Personnel services	4,746,587	6,675,751	384,613	2,643,519	14,450,470	5,244,863
Materials and supplies	1,276,045	1,996,761	316,839	413,948	4,003,593	5,392,439
Contractual services	4,987,391	6,279,792	741,752	3,302,345	15,311,280	6,782,304
Insurance claims and premiums	-	-	-	-	-	15,717,439
General and administration	2,184,334	5,673,133	927,439	1,412,094	10,197,000	389,878
Depreciation	2,123,917	7,647,501	1,143,118	1,198,876	12,113,412	132,189
Total operating expenses	<u>15,318,274</u>	<u>28,272,938</u>	<u>3,513,761</u>	<u>8,970,782</u>	<u>56,075,755</u>	<u>33,659,112</u>
Operating income (loss)	<u>6,218,016</u>	<u>11,380,498</u>	<u>(2,466,508)</u>	<u>(1,027,073)</u>	<u>14,104,933</u>	<u>(186,066)</u>
Nonoperating revenues (expenses)						
Investment income	174,750	420,905	2,141	41,210	639,006	220,480
Hotel/motel tax revenues	-	-	956,250	-	956,250	-
Interest expense	(108,227)	(2,127,280)	-	(52,878)	(2,288,385)	(60,435)
(Loss) gain on sale of assets	(42,321)	13,851	-	-	(28,470)	7,268
Total nonoperating revenues (expenses)	<u>24,202</u>	<u>(1,692,524)</u>	<u>958,391</u>	<u>(11,668)</u>	<u>(721,599)</u>	<u>167,313</u>
Income (loss) - Before contributions and transfers	<u>6,242,218</u>	<u>9,687,974</u>	<u>(1,508,117)</u>	<u>(1,038,741)</u>	<u>13,383,334</u>	<u>(18,753)</u>
Capital contributions - Other capital contributions	1,421,046	359,515	361,633	-	2,142,194	-
Transfers in	-	-	-	1,000	1,000	49,417
Transfers out	<u>(1,699,442)</u>	<u>(4,592,349)</u>	<u>(93,939)</u>	<u>(1,716,684)</u>	<u>(8,102,414)</u>	<u>(49,087)</u>
Change in net position	5,963,822	5,455,140	(1,240,423)	(2,754,425)	7,424,114	(18,423)
Net position as previously reported	53,214,749	130,604,652	19,064,859	17,110,706	219,994,966	18,302,651
Restatement	(3,385,655)	(5,056,050)	(477,216)	(5,656,607)	(14,575,528)	(4,206,940)
Net position - Beginning of year as restated	<u>49,829,094</u>	<u>125,548,602</u>	<u>18,587,643</u>	<u>11,454,099</u>	<u>205,419,438</u>	<u>14,095,711</u>
Net position - End of year	<u>\$ 55,792,916</u>	<u>\$ 131,003,742</u>	<u>\$ 17,347,220</u>	<u>\$ 8,699,674</u>	<u>\$ 212,843,552</u>	<u>\$ 14,077,288</u>

Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2020

	Enterprise Funds				Total	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Proprietary Internal Service Fund
Cash flows from operating activities						
Receipts from customers and users	\$ 19,543,094	\$ 39,042,127	\$ 1,176,147	\$ 7,736,093	\$ 67,497,461	\$ 2,589,538
Receipts from interfund services and reimbursements	1,675,096	-	-	-	1,675,096	32,283,037
Payments to suppliers	(6,199,819)	(8,241,073)	(1,198,087)	(4,093,477)	(19,732,456)	(28,072,050)
Payments to employees	(4,831,942)	(6,862,877)	(1,258,299)	(2,713,457)	(15,666,575)	(5,411,938)
Internal activity - payments to other funds	(2,184,334)	(5,672,574)	(169,012)	(1,307,788)	(9,333,708)	(389,639)
Internal activity - payments from other funds	91,545	392,295	68,478	-	552,318	-
Net cash provided by (used in) operating activities	8,093,640	18,657,898	(1,380,773)	(378,629)	24,992,136	998,948
Cash flows from noncapital financing activities						
Transfers from other funds	-	-	-	1,000	1,000	330
Hotel/motel tax	-	-	956,250	-	956,250	-
Loans from other funds	-	-	-	250,000	250,000	-
Transfers to other funds	(1,699,442)	(4,592,349)	(93,939)	(1,716,684)	(8,102,414)	-
Loans to other funds	-	(250,000)	-	-	(250,000)	-
Net cash (used in) provided by noncapital financing activities	(1,699,442)	(4,842,349)	862,311	(1,465,684)	(7,145,164)	330
Cash flows from capital and related financing activities						
Proceeds from capital debt refunding	-	5,743,815	-	-	5,743,815	-
Proceeds from capital debt issued for future capital purchase	-	-	-	375,000	375,000	-
Proceeds from sales of capital assets	9,568	17,342	-	-	26,910	7,268
Purchase of capital assets	(836,001)	(4,543,366)	-	(312,636)	(5,692,003)	-
Principal paid on capital debt	(1,460,116)	(12,319,013)	-	(1,099,356)	(14,878,485)	(641,860)
Interest paid on capital debt	(457,563)	(1,771,668)	-	(57,593)	(2,286,824)	(60,918)
Debt service charge	(1,000)	(196,432)	-	-	(197,432)	-
Net cash (used in) provided by capital and related financing activities	(2,745,112)	(13,069,322)	-	(1,094,585)	(16,909,019)	(695,510)
Cash flows from investing activities						
Interest received on investments	208,522	506,205	2,094	59,790	776,611	268,338
Proceeds from sale and maturities of investment securities	(322,031)	2,441,110	(37,390)	2,250,405	4,332,094	87,915
Net cash provided by (used in) investing activities	(113,509)	2,947,315	(35,296)	2,310,195	5,108,705	356,253
Net (decrease) increase in cash and cash equivalents	3,535,577	3,693,542	(553,758)	(628,703)	6,046,658	660,021
Cash and cash equivalents - beginning of year (restated)	11,349,889	27,938,290	2,515,880	2,168,463	43,972,522	6,004,227
Cash and cash equivalents - end of year	\$ 14,885,466	\$ 31,631,832	\$ 1,962,122	\$ 1,539,760	\$ 50,019,180	\$ 6,664,248

Proprietary Funds
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2020

	Enterprise Funds				Total	Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Proprietary Internal Service Fund
Classification of cash and cash equivalents						
Cash and investments	\$ 4,872,622	\$ 12,559,570	\$ 1,018,908	\$ 3,512,699	\$ 21,963,799	\$ 20,399,620
Restricted cash and investments	13,281,051	27,516,246	983,612	388,159	42,169,068	-
Less amounts classified as investments	<u>(3,268,207)</u>	<u>(8,443,984)</u>	<u>(40,398)</u>	<u>(2,361,098)</u>	<u>(14,113,687)</u>	<u>(13,735,372)</u>
Total cash and cash equivalents	\$ 14,885,466	\$ 31,631,832	\$ 1,962,122	\$ 1,539,760	\$ 50,019,180	\$ 6,664,248
Reconciliation of operating income (loss) to net cash from operating activities						
Operating income (loss)	6,218,016	11,380,498	(2,466,508)	(1,027,073)	14,104,933	(186,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	2,123,917	7,647,501	1,143,118	1,198,876	12,113,412	132,189
Lease proceeds used for noncapital expenses	-	-	-	-	-	358,320
(Increase) decrease in assets						
Receivables	(183,758)	(455,899)	210,281	(129,315)	(558,691)	1,430,403
Due from other funds	(21,686)	-	-	-	(21,686)	(30,876)
Inventory	73,985	(7,956)	851	-	66,880	61,506
Prepaid expenses and other assets	(2,448)	(7,434)	711	(2,018)	(11,189)	(256,076)
Increase (decrease) in liabilities						
Accounts payable	(27,156)	(1,066)	(17,802)	(374,534)	(420,558)	(305,538)
Taxes payable	19,236	26,289	(11,075)	8,560	43,010	17,365
Due to other governments	-	-	-	(10,824)	(10,824)	-
Due to other funds	-	560	532	104,306	105,398	239
Accrued liabilities and other	-	-	(47,917)	-	(47,917)	-
Accrued payroll payable	(39,860)	(37,950)	7,127	(17,315)	(87,998)	(27,286)
Compensated absences payable	32,139	38,743	(6,444)	9,495	73,933	29,460
Customer deposits	(21,110)	237,595	35,007	-	251,492	-
Other current payables	-	25,647	(112,180)	-	(86,533)	-
Unearned revenue	-	(711)	-	(76,669)	(77,380)	-
Estimate of unfilled claims	-	-	-	-	-	40,441
(Increase) decrease in deferred outflows of resources						
Pension items	(121,008)	(163,202)	(5,347)	(66,857)	(356,414)	(133,535)
OPEB items	(225,183)	(313,319)	(23,017)	(126,635)	(688,155)	(269,237)
Increase (decrease) in net pension liabilities	(133,655)	(230,667)	(74,384)	(85,490)	(524,196)	(256,202)
Increase (decrease) in OPEB liability	216,885	275,344	(13,734)	115,863	594,358	202,318
Increase (decrease) in deferred inflows of resources						
Pension items	95,081	125,968	1,123	52,008	274,181	100,036
OPEB items	90,246	117,957	(1,115)	48,993	256,080	91,486
Total adjustments	<u>1,875,624</u>	<u>7,277,400</u>	<u>1,085,735</u>	<u>648,444</u>	<u>10,887,202</u>	<u>1,185,014</u>
Net cash provided by (used in) operating activities	\$ 8,093,640	\$ 18,657,898	\$ (1,380,773)	\$ (378,629)	\$ 24,992,135	\$ 998,948
Noncash investing, capital, and financing activities						
Capital assets acquired through lease	\$ -	\$ 159,080	\$ -	\$ -	\$ 159,080	\$ -
Capital assets disposed (at cost)	(189,279)	(268,380)	-	(6,400)	(464,059)	(67,143)
Capital assets transferred from/to another fund (cost)	22,940	-	-	-	22,940	22,630
Capital asset contribution	1,421,046	359,515	361,633	-	2,142,194	-
Work in progress completed transferred to capital assets	(2,903,386)	(1,421,130)	-	(647,659)	(4,972,175)	-
Accumulated depreciation on disposals of capital assets	130,742	264,888	-	6,400	402,031	67,143
Accumulated depreciation on transfers of capital assets	(22,940)	-	-	-	(22,940)	(22,630)
Amended/refunded revenue bond principal decrease	-	5,925,000	-	-	5,925,000	-

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2020

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 333,494	\$ 894,848
Investments:		
U.S. Treasuries	41,742	-
U.S. Government Agency Securities	645,497	-
Tax-Exempt Municipal Bonds	1,937	-
Receivables - Accounts	-	-
Receivables - Interest	920	-
Total assets	1,023,590	\$ 894,848
Liabilities		
Accounts payable	12,142	-
Accrued liabilities and other	-	-
Customer deposits payable	-	-
Police distribution payable	-	894,848
Total liabilities	12,142	\$ 894,848
Net position restricted for pensions	\$ 1,011,448	

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	Pension Trust Funds	Custodial Fund
Additions		
Investment income - Interest and dividends	\$ 5,655	\$ -
Police asset seizures	-	68,122
Contributions:		
On behalf	10,372,346	-
Other	6,284	-
Total contributions	10,378,630	-
Total additions	10,384,285	68,122
Deductions		
Benefit payments	10,385,017	
Police distributions	-	68,122
Administrative expenses	27,208	-
Total deductions	10,412,225	68,122
Net (decrease) increase in net position	(27,940)	-
Net position - Beginning of year	1,039,388	-
Net position - End of year	\$ 1,011,448	\$ -

Note 1 – Summary of 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. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government. Discretely presented component units are involved in activities of an operational nature independent from the primary government; their transactions are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Component Units and Related Organizations

Blended Component Units

The City's financial statements contain four 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.
- The City of South Bend Building Corporation is 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.
- The Urban Enterprise Association of South Bend ("UEA") is a legally separate nonprofit corporation, which is reported as if it were a part of the City. The UEA exists exclusively to benefit the City through a variety of economic development programs. Additionally, the City appoints the majority of its governing board, and the organization is staffed by City staff members through a management agreement.
- The Venues Parks & Arts Foundation ("VPA Foundation") is a legally separate nonprofit corporation, which is reported as if it were a part of the City. The VPA Foundation exists solely to raise money through donations and grants for the City.

Financial statements for any of the City's blended component units are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 12th Floor County-City Building, South Bend, Indiana 46601.

Discretely Presented Component Unit

The South Bend Public Transportation Corporation ("Transpo") is a discretely presented component unit in these financial statements. Although the City does not have operational responsibility for Transpo, and no financial benefit or burden accrues to the City due to Transpo's operations, Transpo is nonetheless fiscally dependent on the City, per the following relationship:

Note 1 – Summary of Significant Accounting Policies (Continued)

Pursuant to Indiana law, Transpo is required to submit its proposed budget and tax levy to the Common Council of the City of South Bend for adoption. Specifically, Indiana Code § 6-1.1-17-20 requires that Transpo, as a political subdivision governed by a majority of unelected officials, submit its proposed budget and property tax levy to the Common Council of the City of South Bend. Pursuant to Indiana Code § 6-1.1-17-20(e), the Common Council of the City of South Bend is required to review Transpo’s budget and proposed tax levy and adopt a final budget and tax levy for Transpo. The Common Council of the City of South Bend may reduce or modify, but may not increase, the proposed budget or tax levy.

Because Transpo does not have the ability to complete the above essential events without substantive approval from the South Bend Common Council, it is fiscally dependent upon the City of South Bend, and the City of South Bend is financially accountable for Transpo. Transpo is therefore a component unit of the City of South Bend.

The financial statements of Transpo, including all note disclosures, may be obtained from its offices as follows:

South Bend Public Transportation Corporation
1401 S Lafayette Blvd
South Bend, IN 46613

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 generally does not extend far beyond making the appointments. The mayor and the Common Council appoint the board members of the South Bend Housing Authority, 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.

Basis of Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective.

Government-wide financial statements

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. All fiduciary activities are reported only in the fund financial statements.

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 basis of presentation

Note 1 – Summary of Significant Accounting Policies (Continued)

found in the fund-based statements. The primary government is reported separately from the single discretely presented component unit for which the primary government is financially accountable.

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.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, the effect of interfund activity has been eliminated from these statements.

Fund Financial Statements

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 portion of the local 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 Certified Shares portion of the local 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 economic development portion of the local income 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 local income tax.
- The River West TIF (Tax Incremental Financing) Fund is used to account for public

Note 1 – Summary of Significant Accounting Policies (Continued)

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.
- 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, parental leave program, 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 custodial fund accounts for assets held by the City for assets seized by the South Bend Police Department during their normal operations.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Full Accrual Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Modified Accrual 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.

- Revenue is recognized when it is both measurable and available. Revenues are considered available if they are collected during the fiscal year, 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.
- 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, liabilities that will be funded in the future (such as pension and retiree healthcare related costs, debt obligations, and employee vacation pay) are not recorded as expenditures until they come due for payment.

Elements of the Statement of Net Position

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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 and money market investments are reported at 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.
- 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. The City has implemented the requirements in GASB Statement No. 89, and no interest was capitalized during the construction of capital assets of business-type activities.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Asset Class	Capitalization Threshold	Useful 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 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 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 three items that qualify for reporting in this category: the deferred charge on refunding, deferred charges on pensions, and deferred charges on other post-employment benefits (OPEB) 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 and OPEB per GASB Statement No. 75.

Deferred Inflows of Resources

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.

The City has three items that qualify for reporting in this category: an unamortized gain on a refunding transaction, and deferred inflows related to pensions (per GASB Statement No. 68) and OPEB (per GASB Statement No. 75).

Note 1 – Summary of Significant Accounting Policies (Continued)

Flow Assumptions

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 (inventory, 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 use. The South Bend Common Council is the highest level of 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

Note 1 – Summary of Significant Accounting Policies (Continued)

Council to undertake any resolution regarding the assignment of fund balances. Assignments of fund balance are imposed by informal action of the City Controller. Formal action by a governing body is not required to assign fund balances.

- The unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Only the General Fund may report a positive unassigned fund balance whereas other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Minimum Fund Balance Requirements

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.

- General: 35% of annual expenditures
- COIT: 25% of annual expenditures
- EDIT: 25% of annual expenditures
- Water operating: 5% of annual expenditures
- Wastewater operating: 5% of annual expenditures
- Other: generally 25% of annual expenditures

The detail of the fund balance classifications of the governmental funds for the year ended December 31, 2020 can be found in Note 16.

Revenues and Expenses / Expenditures

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% 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.

PERF net pension liability, expenses and deferred inflows and outflows of resources are allocated between governmental activities and proprietary funds based on applicable salaries.

Note 1 – Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The City offers retiree healthcare benefits to retirees. For purposes of measuring the total OPEB liability in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense of the City of South Bend Retiree Healthcare Plan (SBRHP) have been determined on the same basis as they are reported. OPEB liability, expense and deferred inflows and outflows of resources are allocated between governmental activities and proprietary funds based on applicable salaries.

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-hour-per-day firefighters, 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% to 100% 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

Note 1 – Summary of Significant Accounting Policies (Continued)

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 of 160 hours.

Unused vacation leave for all City employees, and unused sick leave and compensatory leave of firefighters, police officers, and teamsters, is accrued when incurred and reported as a liability in the statement of net position. Amounts due and payable at year end are included in the proprietary fund statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Proprietary Funds Operating Classification

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

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, liabilities, deferred inflows of resources, and deferred outflows of resources, 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

The following pronouncements issued by the GASB will be effective and/or are anticipated to be reflected in the City's financial statements for the year ending December 31, 2021:

- *GASB Statement No. 93 Replacement of Interbank Offered Rates*
 - This statement provides guidance to governments that undertake transactions based on the London Interbank Offered Rate (LIBOR), in anticipation of the cessation of LIBOR at the end of 2021. As the City of South Bend has no current transactions outstanding that are based on LIBOR, no effect on the City's financial statements is anticipated.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

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

Major governmental funds

- General Fund
- Special Revenue Funds - Park and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax (COIT), Economic Development Income Tax (EDIT), Rainy Day
- Capital Projects Fund - River West TIF

Nonmajor governmental funds:

- Special Revenue Funds - Motor Vehicle Highway, Studebaker Oliver Revitalization Grants, Economic Development State Grants, DCI Operating, DCI Federal Grants, Police State Seizure, Gift Donation Bequest, Police Curfew Violation, Unsafe Building, Law Enforcement Continuing Education, Rental Units Regulation, Loss Recovery Fund, Code Enforcement, Local Road and Street, LOIT 2016 Special Distribution, Human Rights Federal Grants, COVID-19 Response, Local Road and Bridge Grant, MVH Restricted, Morris and Palais Marketing, Morris PAC Self Promoted Events, Police Block Grants, Hazmat, Indiana River Rescue, Police Grants, Regional Police Academy, COPS MORE Grant, Federal Drug Enforcement, Urban Development Action Grant, Leaf Collection and Removal, Police K-9 Unit, Morris/Palais Box Office, City Cemetery, Bowman Cemetery, Industrial Revolving Fund.
- Debt Service Funds - 2017 Park Bond Debt Service, 2003 Redevelopment Bond - Airport Taxable, 2003 Redevelopment Bond - Palais Royale, 2018 Fire Station #9 Bond Debt Service, 2018 TIF Park Bond Debt Service Reserve, 2019 South Shore Double Tracking Bond Debt Service, 2020 TIF Library Bond Debt Service Reserve, Century Center Energy Conservation Debt Service, Redevelopment Authority Debt Service, South Bend Building Corporation Debt Service, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service
- Capital Projects Funds – Fire Department Capital, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Morris Performing Arts Center Capital, Redevelopment General, TIF - West Washington, TIF - River East Development, TIF - Southside Development Area No. 1, TIF - Douglas Road, TIF - River East Residential, Certified Technology Park, Palais Royale Historic Preservation, Airport Urban Enterprise Zone, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2018 Zoo Bond Capital, 2017 Park Bond Capital, Equipment Vehicle Leasing, 2017 Eddy St. Commons Bond 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

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

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 funds, departments, divisions, or cost categories (Personnel, Supplies, Services, or Capital) without approval of the Common Council. The Department of Local Government Finance must approve any revisions to the appropriations for any controlled fund or any department of the General Fund. The legal level of budgetary control is by department, division and cost classification (Personnel, Services, Supplies, and Capital).

Budgetary Excess of Expenditures over Appropriations

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.

Fund Deficits

As of December 31, 2020, the following funds reported deficits in fund equity: COVID-19 Response Fund (\$210,850). This fund accounts for a variety of grants, some of which are paid on a reimbursement basis. This, plus expenditures awaiting a future funding source, accounts for the current fund deficit. This deficit will be repaid from future revenue in 2021.

Note 3 – Deposits and Investments

Allowable Investments

In accordance with Indiana Code 5-13-9, the City of South Bend Common Council 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. The maturity on these investments may not exceed five (5) years, and at least 75% of the City's investment portfolio must have a maturity of two (2) years or less.

In accordance with state law, the Common Council has also authorized 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% 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

Note 3 – Deposits and Investments (Continued)

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.

Finally, the City may invest in municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase.

Deposit and Investment Risks

The City's cash and investments are subject to several types of risk:

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:

Bank Name	Amount Held
US Bank, NA	\$ 13,404,735
Bank of New York Mellon	4,024,000
Centier Bank	3,418,759
Wells Fargo Bank, NA	644,777

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, \$118,756,183 in deposits 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

Note 3 – Deposits and Investments (Continued)

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:

Investment Type	Fair Value	Maturity		
		Less than One Year	One to Two Years	More than Two Years
U.S. Treasuries	\$ 6,130,474	\$ 5,096,478	\$ 1,033,996	\$ -
U.S. Government Agency Securities	94,802,712	-	80,785,298	14,017,414
Tax-Exempt Municipal Bonds	284,525	-	284,525	-
Total	\$101,217,711	\$ 5,096,478	\$ 82,103,819	\$ 14,017,414

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% of any institution's asset base. The government of the United States of America 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, 2020:

The fair value of U.S. Treasuries, U.S. Government Agency securities, and Tax-Exempt Municipal Bonds of \$101,217,710 are valued using significant other observable inputs (Level 2 inputs). The City's Level 2 holdings are valued using a matrix pricing model with inputs from prices and yields of similar fixed income holdings.

Note 4 – Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable.

Loans Receivable

As of December 31, 2020, 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	\$ 655,000	\$ 635,000
Nonmajor governmental funds:		
Economic development state grants	35,605	-
Community investment grants	177,980	138,825
Urban development action grant	403,855	385,413
Industrial revolving fund	4,838,386	3,773,941
Total nonmajor governmental funds	\$ 5,455,826	\$ 4,298,179

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	\$ 28,219,682	\$ 10,525,846	\$ 38,745,528
Capital assets subject to depreciation - Net	250,557,948	216,894,005	467,451,953
Deferred outflows (capital related)	2,366,680	1,224,578	3,591,258
Notes and loans payable - current	(326,878)	(205,396)	(532,274)
General obligations bonds payable-current	(1,030,000)	-	(1,030,000)
Mortgage bonds payable - current	(1,959,410)	(40,771)	(2,000,181)
Capital leases payable - current	(5,013,111)	(1,477,227)	(6,490,338)
Revenue bonds payable - current	(8,269,344)	(7,065,000)	(15,334,344)
Notes and loans payable - noncurrent	(3,079,026)	(1,611,037)	(4,690,063)
General obligations bonds payable-noncurrent	(15,975,155)	-	(15,975,155)
Mortgage bonds payable - noncurrent	(6,430,162)	-	(6,430,162)
Capital leases payable - noncurrent	(8,699,643)	(1,635,935)	(10,335,578)
Revenue bonds payable - noncurrent	(110,550,969)	(57,264,826)	(167,815,795)
Deferred inflows (capital related)	(580,958)	(918,669)	(1,499,627)
Unspent debt proceeds	9,202,498	-	9,202,498
Net investment in capital assets	\$128,432,152	\$158,425,568	\$286,857,720

The business-type activities' unspent debt proceeds are capital lease proceeds, reported as cash with fiscal agent.

December 31, 2020

Note 6 – Capital Assets

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

Governmental Activities

Governmental Activities	Balance January 1, 2020 (restated)	Additions / Transfers	Disposals / Transfers	Balance December 31, 2020
Capital assets, non-depreciable				
Land	\$ 14,496,141	\$ -	\$ -	\$ 14,496,141
Construction in progress	31,060,479	11,041,237	(28,378,175)	13,723,541
Total capital assets, non-depreciable	45,556,620	11,041,237	(28,378,175)	28,219,682
Capital assets, depreciable				
Buildings	133,603,315	4,686,325	-	138,289,640
Improvements other than buildings	21,421,332	20,651,146	-	42,072,478
Machinery and equipment	54,135,418	1,620,806	(1,626,422)	54,129,803
Roads and other infrastructure	478,788,961	3,387,098	-	482,176,059
Subtotal	687,949,026	30,345,375	(1,626,422)	716,667,980
Less accumulated depreciation for:				
Buildings	55,816,480	3,757,971	-	59,574,451
Improvements other than buildings	11,647,399	1,045,894	-	12,693,293
Machinery and equipment	37,549,941	4,201,858	(1,603,792)	40,148,007
Roads and other infrastructure	340,699,917	12,994,364	-	353,694,281
Subtotal	445,713,738	22,000,086	(1,603,792)	466,110,032
Net capital assets, depreciable	242,235,289	8,345,289	(22,630)	250,557,948
Total governmental activities capital assets, net	\$287,791,909	\$ 19,386,526	\$(28,400,805)	\$278,777,630

Business-type Activities

Business-type Activities	Balance January 1, 2020 (restated)	Additions / Transfers	Disposals / Transfers	Balance December 31, 2020
Capital assets, non-depreciable				
Land	\$ 2,586,613	\$ -	\$ -	\$ 2,586,613
Construction in progress	6,408,019	6,203,389	(4,672,175)	7,939,233
Total capital assets, non-depreciable	8,994,632	6,203,389	(4,672,175)	10,525,846
Capital assets, depreciable				
Buildings	80,918,366	1,018,894	-	81,937,260
Improvements other than buildings	26,920,828	191,350	-	27,112,178
Machinery and equipment	38,921,529	1,292,115	(358,441)	39,855,203
Roads and other infrastructure	233,323,602	3,823,564	(105,618)	237,041,548
Subtotal	380,084,325	6,325,922	(464,059)	385,946,189
Less accumulated depreciation for:				
Buildings	39,512,695	2,111,530	-	41,624,225
Improvements other than buildings	9,801,239	1,247,540	-	11,048,779
Machinery and equipment	23,668,462	3,206,288	(358,441)	26,516,310
Roads and other infrastructure	84,342,115	5,564,345	(43,590)	89,862,870
Subtotal	157,324,511	12,129,704	(402,031)	169,052,184
Net capital assets, depreciable	222,759,814	(5,803,782)	(62,028)	216,894,005
Total business-type activities capital assets, net	\$231,754,446	\$ 399,607	\$(4,734,203)	\$227,419,851

December 31, 2020

Note 6 – Capital Assets (Continued)**Depreciation**

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	\$ 280,369
Public safety	3,494,306
Highways and streets, and other general infrastructure	14,298,389
Culture and recreation	3,297,535
Economic development	497,297
Internal service funds	132,189
Total governmental activities depreciation expense	<u>\$ 22,000,086</u>

Business-type Activities:

Water	2,117,269
Wastewater	7,647,501
Century Center	1,143,118
Building department & code enforcement	51,178
Parking garage	290,759
Solid waste	856,939
Total business-type activities depreciation expense	<u>\$ 12,106,765</u>
Prior year accumulated depreciation transfer into business-type activities	22,940
Total additions to accumulated depreciation per depreciation schedules	<u>\$ 12,129,704</u>

Construction in Progress

The City has active construction projects at year end. As of December 31, 2020, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Historic Leeper Park Improvements	\$ 2,081,165	\$ 75,109
Fire Station 3 Renovations	709,530	41,509
Fire Station 6 Renovations	306,481	39,591
Eddy & Howard Street Intersection Improvements	20,300	109,430
Lincoln Way West Streetscape - Olive St Node	81,000	57,195
Sample & Mayflower Intersection Improvements	27,620	13,380
Corby-Ironwood-Rockne Intersection Improvements	1,416,410	2,707,137
Cleveland/Brick Road Pavement Improvements	1,248,475	54,210
Bendix Drive - Lathrop to Toll Road	2,205,697	3,040,259
O'Brien Recreational Center Renovations	29,708	455,137
Olive Street Road Reconstruction	1,333,178	373,568
River Walk from Beyer St. to Howard Park	2,913,763	633,509
Seitz Park Reconstruction	900,025	7,843,260
Washington & LaPorte Street Improvement	419,489	65,711
Sheridan & Sample Street Signal Improvements	30,700	430,949
Total – governmental activities	<u>13,723,541</u>	<u>15,939,953</u>

December 31, 2020

Note 6 – Capital Assets (Continued)

Business-type activities:

Parking Garages:		
Main & Colfax Parking Structure Repairs	\$ 273,071	\$ 14,877
Water Utility:		
Prairie Ave Water Main Loop	171,566	53,329
South Wellfield Plant & Pressure Zone Improv.	212,195	37,805
Pinhook Water Treatment Plant Improvements	97,312	1,892,088
Olive Street Station Roof Repairs	82,500	112,580
	<u>563,573</u>	<u>2,095,802</u>
Wastewater Utility:		
WWTP Electrical Improvements	6,133,020	942,083
Secondary Treatment & Disinfection Improvements	473,140	4,593,629
Eagle Way Sewer Extension	152,479	154,542
Sewer and Manhole Rehabilitation	272,965	2,959,905
Colfax Lift Station Improvements	70,986	461,517
	<u>7,102,590</u>	<u>9,111,677</u>
Total – business-type activities	\$ 7,939,233	\$ 11,222,355
Total Construction in Progress	\$ 21,662,775	\$ 27,162,308

Note 7 – Interfund Receivables, Payables, and Transfers

Interfund Receivables & Payables

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 as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Internal service	Nonmajor enterprise	\$ 103,922
Water Utility	General	19,414
	Parks & Recreation	32,138
	EDIT	359
	Nonmajor governmental	2,207
	Wastewater Utility	5,645
	Century Center	4,814
	Nonmajor enterprise	1,438
	Internal service	1,629
	Total Water Utility	<u>67,644</u>
	Total	<u>\$ 171,566</u>

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

Interfund Advances

The City has made the following advances between funds:

Receivable Fund	Payable Fund	Amount
COIT	Nonmajor governmental	\$ 380,253
Nonmajor governmental	Nonmajor governmental	1,979,519
Wastewater Utility	Nonmajor enterprise	250,000
	Total	<u>\$ 2,609,772</u>

Specific purposes of the advances are as follows: The COIT Fund advanced funds to the Urban Development Action Grant Fund for community development projects. Major Moves advanced funds to the Douglas Road for project costs incurred to construct roads and a parking garage. The Wastewater Utility advanced funds to the Solid Waste fund to cover a cash shortfall.

Interfund Transfers

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

Receiving Fund	Paying Fund	Amount
General	Parks & Recreation	\$ 11,799
	COIT	1,023,741
	EDIT	76,233
	Nonmajor governmental	80,320
	Water Utility	1,699,442
	Wastewater Utility	4,592,349
	Nonmajor enterprise	1,716,684
	Total General	<u>9,200,568</u>
Parks and Recreation	COIT	<u>800,000</u>
River West TIF	Nonmajor governmental	<u>38,064</u>
Nonmajor governmental	General Fund	175,579
	COIT	4,537,750
	EDIT	7,510,057
	River West TIF	5,085,022
	Nonmajor governmental	6,684,759
	Century Center	93,939
	Total Nonmajor governmental	<u>24,087,106</u>
Internal service	Nonmajor governmental	330
	Internal service	49,087
	Total Internal service	<u>49,417</u>
Nonmajor enterprise	Nonmajor governmental	<u>1,000</u>
	Grand Total	<u>\$ 34,176,156</u>

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 Parks & Recreation Fund transferred funds into the General Fund to reimburse the Morris Performing Arts Center for employees working at the Golf Courses during the pandemic.
- The COIT and EDIT Funds transferred funds into the General Fund to support general operations of the General Fund.
- The DCI Operating Fund (a nonmajor governmental fund) transferred \$35,000 into the General Fund to cover the cost of several AmeriCorps members
- The Water Utility transferred funds to the General Fund to cover the cost of several AmeriCorps members.
- 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 COIT Fund transferred funds to the Parks & Recreation Fund for general operational support of Park Maintenance activities.
- The EDIT Fund transferred funds to the DCI Operating Fund for salaries and wages relating to community investment initiatives.
- The EDIT Fund transferred funds to the Code Enforcement Fund for general operating subsidies for the Code Enforcement and Animal Resource Center divisions.
- The Local Road and Street and LOIT 2016 Special Distribution Funds transferred matching grant funds to the Local Road and Bridge Matching Grant Fund.
- Transfers were made into a variety of debt service funds for the purposes of making scheduled annual debt payments.
- 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 during 2020 for these leases were \$678,849. The following is a schedule by years of future minimum rental payments as of December 31, 2020:

Years Ended December 31	Amount
2021	\$ 414,635
2022	167,668
2023	84,745
2024	72,432
2025	38,116
2026 and later	84,480
Total	<u>\$ 862,076</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, 2020 are as follows:

Years Ended December 31	Governmental Activities	Business-type Activities
2021	\$ 5,288,612	\$ 1,532,401
2022	3,605,612	1,081,198
2023	2,490,327	363,135
2024	1,504,717	153,489
2025	1,414,146	77,230
Total minimum lease payments	14,303,414	3,207,453
Less amount representing interest	590,659	94,291
Present value	\$ 13,712,754	\$ 3,113,162

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

	Governmental Activities	Business-type Activities
Buildings	\$ -	\$ 1,324,615
Machinery and Equipment	9,903,279	5,504,419
Total	9,903,279	6,829,034
Accumulated depreciation	(4,486,354)	(3,548,954)
Net	\$ 5,416,925	\$ 3,280,080

December 31, 2020

Note 9 – Long-term Obligations**Long-Term Obligations Summary**

Long-term obligations activity for the year ended December 31, 2020 is summarized as follows:

Governmental Activities

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation	\$ 17,755,000	\$ -	\$ (980,000)	\$ 16,775,000	\$ 1,030,000
Less unamortized (discounts)/premiums	255,537	-	(25,382)	230,155	-
Net - general obligation	18,010,537	-	(1,005,382)	17,005,155	1,030,000
Mortgage	10,350,690	-	(2,171,280)	8,179,410	1,959,410
Less unamortized (discounts)/premiums	308,578	-	(98,416)	210,162	-
Net - mortgage	10,659,268	-	(2,269,696)	8,389,572	1,959,410
Revenue	118,879,682	4,225,000	(7,231,441)	115,873,241	8,269,344
Less unamortized (discounts)/premiums	3,204,967	120,059	(377,954)	2,947,072	-
Net - revenue	122,084,649	4,345,059	(7,609,395)	118,820,313	8,269,344
Total bonds payable	150,754,454	4,345,059	(10,884,473)	144,215,040	11,258,754
Notes from direct borrowings	3,761,150	-	(355,246)	3,405,904	326,878
Capital leases	11,959,268	6,226,388	(4,472,902)	13,712,754	5,013,111
Subtotal	166,474,873	10,571,447	(15,712,621)	161,333,699	16,598,744
Accumulated compensated absences	6,282,710	5,680,180	(6,282,710)	5,680,180	5,680,180
Net pension liability	166,189,225	7,534,073	(9,836,401)	163,886,898	-
Total other post-employment benefits (OPEB) liability	20,803,514	3,130,729	-	23,934,243	-
Total governmental activities	\$ 359,750,321	\$ 26,916,429	\$ (31,831,731)	\$ 354,835,019	\$ 22,278,924

Business-type Activities

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Mortgage	\$ 119,310	\$ -	\$ (78,720)	\$ 40,590	\$ 40,590
Less unamortized (discounts)/premiums	1,058	-	(877)	181	181
Net - mortgage	120,368	-	(79,597)	40,771	40,771
Revenue	70,694,257	4,830,000	(12,575,000)	62,949,257	7,065,000
Less unamortized (discounts)/premiums	540,818	905,887	(66,136)	1,380,569	-
Net - revenue	71,235,075	5,735,887	(12,641,136)	64,329,826	7,065,000
Total bonds payable	71,355,443	5,735,887	(12,720,733)	64,370,597	7,105,771
Capital leases payable	4,763,272	375,000	(2,025,109)	3,113,163	1,477,227
Notes from direct borrowings	2,016,089	-	(199,656)	1,816,433	205,396
Subtotal	78,134,804	6,110,887	(14,945,498)	69,300,193	8,788,395
Accumulated compensated absences	616,372	690,306	(616,372)	690,306	690,306
Net pension liability	5,778,172	644,783	(1,168,978)	5,253,977	-
Total other post-employment benefits (OPEB) liability	3,658,300	594,358	-	4,252,658	-
Total business-type activities	\$ 88,187,648	\$ 8,040,334	\$ (16,730,848)	\$ 79,497,134	\$ 9,478,701

Total interest expense for the year was \$8,348,602. The City does not have any unused lines of credit.

Note 9 – Long-term Obligations (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.

Utility Revenue Bonds

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 2020, the Water Utility paid \$1,917,769 in debt payments or approximately 8.9% of operating revenue. The Wastewater Utility paid \$14,090,681 in debt payments or approximately 36.1% of operating revenue.

Other Revenue Bonds

The City has pledged tax incremental financing revenue to meet tax incremental financing and Redevelopment Authority debt requirements.

Mortgage Bonds

The City issues bonds to provide for the acquisition and construction of major capital facilities. Bondholders of mortgage bonds have a claim on the real assets constructed or acquired with the bond proceeds, which the City puts up as collateral for the bond.

The City has pledged assets as collateral in each of the mortgage bonds issued below. Collateralized assets include the Public Works Service Center, the Central Police Station and Central Fire Station, and the City's Fire Training Center.

Events of Default

The bonds and direct borrowings of the City contain significant consequences for default. Default on the City's long-term debt is generally defined as one of the following: 1) Failure of the City to make payment on the due date; 2) Declaration of bankruptcy or insolvency by the City; 3) In the case of revenue bonds, the failure to apply collected pledged revenues; 4) In the case of mortgage bonds or revenue bonds secured by a leased asset, the placement of a lien on the underlying asset.

Nearly all of the City's bonds and direct borrowings contain a provision that, in the event of a default, the outstanding principal and any outstanding interest of the debt become immediately due. The events of default are specific and enumerated in each of the provisions – none of the City's bonds or direct borrowings contain a subjective acceleration clause.

Note 9 – Long-term Obligations (Continued)

Bonds Outstanding as of December 31, 2020

Purpose	Outstanding 12/31/2020
<u>Governmental Activities</u>	
<u>General Obligation Bonds</u>	
South Bend Park District Bonds, Series 2017(A-K)	
- Interest rates 3% - 3.25%	
- Original issue \$14,075,000	
- Installments of \$350,000 to \$580,000 plus interest	
- Maturity January 15, 2033	\$ 12,170,000
General Obligation Bonds, Series 2018 (Fire Station #9)	
- Interest rates 3% - 3.25%	
- Original issue \$5,045,000	
- Installments of \$75,000 to \$170,000 plus interest	
- Maturity January 15, 2038	4,605,000
Total General Obligation Bonds	<u>\$ 16,775,000</u>
<u>Mortgage Bonds</u>	
Building Corporation County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010 (Public Works Service Center)	
- Interest rates 2% - 5%	
- Original issue \$6,075,000, 87.7% Governmental (\$5,327,775)	
- Installments of \$240,000 to \$330,000 plus interest	
- Maturity February 1, 2021	289,410
Building Corporation First Mortgage Revenue Refunding Bonds, Series 2012 (Police & Fire Station Projects)	
- Interest rates 2.1% - 5%	
- Original issue \$13,595,000	
- Installments of \$545,000 to \$770,000 plus interest	
- Maturity February 1, 2023	3,670,000
Building Corporation First Mortgage Revenue Bonds, Series 2013	
- Original issue \$5,580,000	
- Installments of \$215,000 to \$425,000 plus interest	
- Maturity February 1, 2033	4,220,000
Total Governmental Mortgage Bonds	<u>\$ 8,179,410</u>

Note 9 – Long-term Obligations (Continued)

Revenue Bonds

Indiana Bond Bank Special Program Bonds, Series 2011A (TIF A)	
- Interest rates 4% - 5.2%	
- Original issue \$18,030,000	
- Installments of \$260,000 to \$935,000 plus interest	
- Maturity August 1, 2024	6,855,000
Indiana Bond Bank Special Program Bonds, Series 2011A (TIF B)	
- Interest rates 4% - 5.2%	
- Original issue \$10,435,000	
- Installments of \$254,036 to \$530,000 plus interest	
- Maturity August 1, 2024	3,905,000
South Bend Redevelopment District Special Taxing District Refunding Bonds of 2014	
- Interest rates 2% - 3%	
- Original issue \$3,440,000	
- Installments of \$395,000 to \$470,000 plus interest	
- Maturity January 1, 2022	470,000
South Bend Redevelopment Authority Lease Rental Revenue Bonds of 2015 (Refunding 2008)	
- Interest rates 2% - 5%	
- Original issue \$31,450,000	
- Installments of \$650,000 to \$1,210,000 plus interest	
- Maturity February 15, 2033	24,530,000
South Bend Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2013 (Refunding 2008)	
- Interest rates 2% - 4%	
- Original issue \$3,990,000	
- Installments of \$160,000 to \$375,000 plus interest *	
- Maturity May 1, 2026	1,920,000
2014 St. Joseph County PSAP (EDIT) Revenue Bonds	
- City's portion of \$9.155M bond (29.03%)	
- Interest rates 2% - 3.625%	
- Original issue \$2,657,697	
- Installments of \$9,314 to \$12,700 plus interest	
- Maturity December 31, 2034	1,878,241
South Bend Redevelopment Authority Lease Rental Revenue Bonds of 2015 (Smart Streets Project)	
- Interest rates 3% - 4%	
- Original issue \$25,000,000	
- Installments of \$460,000 to \$840,000 plus interest	

December 31, 2020

Note 9 – Long-term Obligations (Continued)

- Maturity February 1, 2037	21,630,000
Economic Development Income Tax Bonds of 2015 (Parks Projects)	
- Interest rates 3% - 3.75%	
- Original issue \$5,605,000	
- Installments of \$16,667 to \$65,000 plus interest	
- Maturity August 1, 2035	4,535,000
Taxable Economic Development Revenue Bonds, Series 2017 (Eddy Street Phase II)	
- Interest rate 5%	
- Original issue \$25,000,000	
- Installments of \$125,000 to \$1,790,000 plus interest	
- Maturity February 15, 2037	24,780,000
Redevelopment District Bonds, Series 2018 (Parks Projects)	
- Interest rates 2% - 3%	
- Original issue \$11,995,000	
- Installments of \$340,000 to \$955,000 plus interest	
- Maturity February 1, 2033	10,255,000
Economic Development Revenue Bonds, Series 2018 (Potawatomi Zoo Project)	
- Interest rates 4% - 5%	
- Original issue \$3,440,000	
- Installments of \$25,000 to \$155,000 plus interest	
- Maturity February 1, 2034	3,175,000
South Bend Redevelopment Authority Lease Rental Revenue Bonds of 2019 (Double Tracking Project)	
- Interest rate 5%	
- Original issue \$7,985,000	
- Installments of \$270,000 to \$500,000 plus interest	
- Maturity February 1, 2030	7,715,000
2020 Taxable Economic Development Tax Increment Revenue Bonds (Library Project)	
- Interest rates 2% - 3%	
- Original issue \$4,225,000	
- Installments of \$75,000 to \$160,000 plus interest	
- Maturity February 1, 2037	4,225,000
Total Governmental Revenue Bonds	<u>\$ 115,873,241</u>
Total Governmental Activities	\$ 140,827,651

* St. Joseph County has irrevocably pledged hotel-motel tax revenues to finance debt payments

Note 9 – Long-term Obligations (Continued)

Business-Type Activities

Mortgage Bonds

Building Corporation County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010 (Public Works Service Center)

- Interest rates 2% - 5%
- Original issue \$6,075,000, 12.3% Business-Type (\$747,225)
- Installments of \$240,000 to \$330,000 plus interest
- Maturity February 1, 2021 40,590

Total Business-Type Mortgage Bonds	\$	40,590
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Revenue Bonds

Water Works Refunding Revenue Bonds of 2012B

- Interest rate 2%
- Original issue \$3,785,000
- Installments of \$335,000 to \$425,000 plus interest
- Maturity January 1, 2023 835,000

Amended Water Works Revenue Bonds of 2009, Series B

- Interest rates 5.41% to 5.89%
- Original issue \$2,814,256.87
- Installments of \$124,257 to \$455,000 plus interest
- Maturity January 1, 2030 2,814,257

Sewage Works 2020 Refunding Revenue Bonds (Refunding 2010)

- Interest rates 4%
- Original issue \$4,830,000
- Installments of \$150,000 to \$555,000 plus interest
- Maturity December 1, 2030 4,680,000

Sewage Works Revenue Bonds of 2011

- Interest rates 3% - 4%
- Original issue \$21,500,000
- Installments of \$760,000 to \$1,510,000 plus interest
- Maturity December 1, 2031 13,560,000

Water Works Revenue Bonds of 2012

- Interest rates 2% - 3.7%
- Original issue \$8,300,000
- Installments of \$340,000 to \$540,000 plus interest
- Maturity January 1, 2033 5,465,000

December 31, 2020

Note 9 – Long-term Obligations (Continued)

Sewage Works Revenue Bonds Series 2012	
- Interest rates 2% - 2.75%	
- Original issue \$25,000,000	
- Installments of \$1,150,000 to \$1,650,000 plus interest	
- Maturity December 1, 2032	16,540,000
Sewage Works Refunding Revenue Bonds of 2013A	
- Interest rate 1.94%	
- Original issue \$14,765,000	
- Installments of \$715,000 to \$1,065,000 plus interest	
- Maturity December 1, 2024	2,785,000
Sewage Works Refunding Revenue Bonds of 2015	
- Interest rate 2%	
- Original issue \$27,440,000	
- Installments of \$2,475,000 to \$3,025,000 plus interest	
- Maturity December 1, 2025	14,495,000
Water Works Refunding Revenue Bonds of 2016	
- Interest rate 3%	
- Original issue \$3,300,000	
- Installments of \$260,000 to \$440,000 plus interest	
- Maturity January 1, 2027	1,775,000
Total Business-Type Revenue Bonds	\$ 62,949,257
Total Business-Type Activities	\$ 62,989,847

Notes from Direct Borrowings and Direct Placements

Purpose	Outstanding 12/31/2020
Governmental Activities	
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	\$ 35,604
2015 Century Center Energy Conservation Bond	
Interest rates: 3.5%	
Original issue: \$4,167,897	
Installments of \$22,585 to \$176,508 plus interest	

December 31, 2020

Note 9 – Long-term Obligations (Continued)

Maturity: May 1, 2031	3,370,300
Total governmental activities	<u>\$ 3,405,904</u>

Business-type Activities

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	\$ 244,589
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	1,571,844
Total business-type activities	<u>\$ 1,816,433</u>

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, 2020 compensated absences liabilities 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 total OPEB obligation will be liquidated from the General Fund.

Debt Service Requirements to Maturity

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

Bonds (General Obligation, Revenue, and Mortgage)

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 11,258,754	\$ 5,378,819	\$ 16,637,573	\$ 7,105,590	\$ 1,876,924	\$ 8,982,514
2022	11,273,699	4,939,288	16,212,986	7,379,257	1,707,667	9,086,924
2023	10,988,053	4,459,089	15,447,142	7,340,000	1,522,584	8,862,584
2024	10,662,408	4,014,256	14,676,663	7,560,000	1,329,024	8,889,024
2025	8,061,766	3,593,737	11,655,503	7,050,000	1,125,229	8,175,229
2026-2030	42,605,436	13,326,871	55,932,307	20,740,000	3,154,153	23,894,153
2031-2035	36,987,537	5,720,506	42,708,043	5,815,000	253,025	6,068,025
2036-2040	8,990,000	415,934	9,405,934	-	-	-
Totals	\$140,827,651	\$ 41,848,500	\$182,676,153	\$ 62,989,847	\$ 10,968,606	\$ 73,958,453

Note 9 – Long-term Obligations (Continued)

Notes from Direct Borrowings

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 326,878	\$ 115,838	\$ 442,716	\$ 205,396	\$ 52,411	\$ 257,807
2022	297,175	105,192	402,367	211,301	46,506	257,807
2023	303,221	94,738	397,959	217,376	40,430	257,806
2024	309,315	84,073	393,388	223,628	34,178	257,806
2025	315,561	73,193	388,754	230,059	27,748	257,807
2026-2030	1,677,246	194,867	1,872,113	728,673	43,762	772,435
2031-2035	176,508	3,089	179,597	-	-	-
2036-2040	-	-	-	-	-	-
Totals	\$ 3,405,904	\$ 670,990	\$ 4,076,894	\$ 1,816,433	\$ 245,035	\$ 2,061,468

Current Refundings

On September 3, 2020, the City of South Bend amended/refunded its Sewage Works Revenue Bonds of 2010, originally issued on December 21, 2010. The City's outstanding principal balance on the refunded bond was reduced from \$5,490,000 to \$4,830,000 with a 4% annual coupon rate. In so doing, the City saved \$968,847 in debt service costs over the remaining life of the bonds.

Note 10 – Restricted Assets

As of December 31, 2020, the balances of restricted assets in the enterprise funds are comprised of the following:

	<u>Total</u>	<u>Water</u>	<u>Wastewater</u>	<u>Century Center</u>	<u>Solid Waste</u>
Debt service	1,404,435	2,327	1,402,108	-	-
Customer repair and deposit	3,973,944	1,265,327	2,708,617	-	-
Cash with fiscal agent	375,006	-	-	-	375,006
Bond reserve	5,415,259	1,425,009	3,990,250	-	-
Operating reserve	8,476,911	2,917,284	5,559,627	-	-
Capital outlay	22,523,513	7,671,104	13,855,644	983,612	13,153
Total restricted assets	42,169,068	13,281,051	27,516,246	983,612	388,159

Note 11 – Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. As of December 31, 2020, the market value of these properties is not known. These properties are recognized as assets in the funds that purchased the property.

Note 12 – Service Concession Arrangement

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. On October 1, 2019, SMG merged with AEG Facilities to form a new company, ASM Global.

The initial term of the contract extended through June 30, 2016 and has been extended twice to now be through December 31, 2022. ASM Global'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. ASM Global is responsible for all operations and financial reporting. Additionally, ASM Global contributed a one-time capital infusion of \$575,000, to be used for capital improvement that was amortized over seventy-two (72) months and is fully amortized as of December 31, 2020. No other assets or liabilities or deferred inflows of resources are remaining on the financial statements related to this SCA. 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 did not exceed commercial insurance coverage in 2020. 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 \$400,000 per claim for job-related illnesses or injuries to employees (workers' compensation) and claims for damage to and destruction of assets (property damage) with various self-retention amounts. In recent years, claims resulting from property damage exceeded the property insurance self-retention amount. Claims resulting from this risk exceeded the self-retention amount during 2018 and 2019 by \$238,638 and \$217,805, respectively. No specific property claim exceeded the self-retention amount in 2020.

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).

Note 13 – Risk Management (Continued)

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 2018, 2019 and 2020 by \$347,097, \$24,418, and \$133,634, respectively. A premium is charged to each fund based on the number of employees and estimated costs exceeding the employees' contributions. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs).

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts, and other economic and social factors.

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

	Liability Insurance		Group Health	
	2020	2019	2020	2019
Unpaid claims - Beginning of year	\$ 1,746,773	\$2,139,926	\$1,024,845	\$919,015
Incurred claims, including claims incurred but not reported	2,475,904	1,950,168	13,723,296	14,771,522
Claim payments	(2,385,981)	(2,343,321)	(13,772,778)	(14,665,692)
Unpaid claims - End of year	<u>\$ 1,836,696</u>	<u>\$1,746,773</u>	<u>\$975,363</u>	<u>\$1,024,845</u>

Contingent Liabilities

On August 20, 2021, the City of South Bend reached an agreement with the United States Department of Justice (DOJ), United States Environmental Protection Agency (EPA) and the Indiana Department of Environmental Management (IDEM) for an amended Clean Water Act consent decree. The City's original Combined Sewer Overflow (CSO) long-term plan, approved by the DOJ and EPA in 2012, required \$713 Million capital improvements to the sewer system by the end of 2031. The City has been renegotiating this federally mandated plan since 2018 to reduce the burden on ratepayers to fund the improvements. The City's revised plan, SAGE – Smarter Alternative for a Greener Environment – uses data and analytics from the Smart Sewers sensor network to exceed the requirement of the federal CSO policy and provide cost savings. The SAGE Plan will cost \$276 million to implement and reduces the City's original financial commitment by \$437 million. The new consent decree also provides more time for the City to implement capital improvements, now required by the end of 2038.

December 31, 2020

Note 14 – Subsequent Events

1. On March 11, 2021, President Joe Biden signed into law the American Rescue Plan Act of 2021, in response to the ongoing COVID-19 pandemic. This Act includes a variety of provisions that are expected to directly benefit the City of South Bend's financial position, including substantial direct payments to local governments with more than 50,000 residents (such as South Bend). In May of 2021, the City learned that it was allocated \$58,910,047 from the American Rescue Plan Act, and received the first payment in the amount of \$29,455,024 in 2021.
2. On May 12, 2021, the City of South Bend Building Corporation issued bonds in the amount of \$7,610,000 to finance the purchase of certain assets from the City. Those assets were then leased back to the City over a period of 15 years, which matches the schedule of bond repayment. The City intends to use the proceeds from the sale of the assets to reconstruct or repair roads in the City and to complete certain other infrastructure improvements.
3. On August 20, 2021, the City of South Bend reached an agreement with the United States Department of Justice (DOJ), United States Environmental Protection Agency (EPA) and the Indiana Department of Environmental Management (IDEM) for an amended Clean Water Act consent decree. The City's original Combined Sewer Overflow (CSO) long-term plan, approved by the DOJ and EPA in 2012, required \$713 Million capital improvements to the sewer system by the end of 2031. The City has been renegotiating this federally mandated plan since 2018 to reduce the burden on ratepayers to fund the improvements. The City's revised plan, SAGE – Smarter Alternative for a Greener Environment – uses data and analytics from the Smart Sewers sensor network to exceed the requirement of the federal CSO policy and provide cost savings. The SAGE Plan will cost \$276 million to implement and reduces the City's original financial commitment by \$437 million. The new consent decree also provides more time for the City to implement capital improvements, now required by the end of 2038.
4. On September 24, 2021, the City of South Bend issued sewage works revenue bonds in the amount of \$12,450,000, intended to cover the refunding of two outstanding bond issuances – the Sewage Works Revenue Bonds of 2009 (outstanding principal: \$1,603,282) and the Sewage Works Revenue Bonds of 2011 (outstanding principal: \$13,560,000). This refunding transaction resulted in a net present value savings of \$2,059,472 in principal and interest payments over the next 10 years.

Note 15 – Conduit Debt Obligations

From time to time, the City has issued conduit debt obligations 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 private sector revenue sources or by the underlying assets constructed with the bond proceeds, and are not secured by any asset or revenue source of the City, nor by the full faith and credit of the City. 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, 2020, there were six series of conduit debt obligations outstanding. The original issue amounts of these obligations totaled \$50,695,000. During 2020, the City approved no new conduit debt obligations.

Note 16 – Fund Balance Constraints

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

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Fund Balances									
Nonspendable									
Advances to other funds	\$ -	\$ -	\$ -	\$ 380,253	\$ -	\$ -	\$ -	\$ 1,979,519	\$ 2,359,772
Inventory	-	16,958	-	-	-	-	-	-	16,958
Property held for resale	-	-	-	175,000	270,001	-	5,722,536	2,815,537	8,983,074
Total Nonspendable	-	16,958	-	555,253	270,001	-	5,722,536	4,795,056	11,359,804
Restricted									
Debt service	-	-	-	-	-	-	-	11,810,879	11,810,879
General administration	-	-	-	-	-	-	-	2,604,604	2,604,604
Police and fire salaries	-	-	3,798,509	-	-	-	-	-	3,798,509
Public safety programs	-	-	-	-	-	-	-	852,491	852,491
Street maintenance	-	-	-	-	-	-	-	10,588,837	10,588,837
Economic development	-	-	-	-	-	-	29,282,385	35,149,852	64,432,237
Parks maintenance	-	3,733,516	-	-	-	-	-	584,189	4,317,705
Public safety capital	-	-	-	-	-	-	-	315,298	315,298
Cultural capital projects	-	-	-	-	-	-	-	8,060,039	8,060,039
Street capital projects	-	-	-	-	-	-	-	2,487,504	2,487,504
Total Restricted	-	3,733,516	3,798,509	-	-	-	29,282,385	72,453,693	109,268,103
Committed									
General administration	-	-	-	-	-	-	-	2,238,721	2,238,721
Public safety programs	-	-	-	-	-	-	-	168,289	168,289
Economic development	-	-	-	-	-	-	-	2,838,372	2,838,372
Cultural capital	-	-	-	-	-	-	-	931,751	931,751
Total Committed	-	-	-	-	-	-	-	6,177,133	6,177,133
Assigned									
General administration	820,834	-	-	14,282,098	18,994,402	10,882,772	-	-	44,980,106
Public safety programs	-	-	-	-	-	-	-	2,428	2,428
Street maintenance	-	-	-	-	-	-	-	470,834	470,834
Economic development	-	-	-	-	-	-	-	1,555,590	1,555,590
Total Assigned	820,834	-	-	14,282,098	18,994,402	10,882,772	-	2,028,852	47,008,958
Unassigned	50,205,182	-	-	-	-	-	-	-	50,205,182
Total fund balances	51,026,016	3,750,474	3,798,509	14,837,351	19,264,403	10,882,772	35,004,921	85,454,734	224,019,180

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 (SBRHP) 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. Indiana Code 5-10-8 gives the unit the authority to establish and amend the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Namely, employer contributions to the OPEB plan are not irrevocable, nor are any plan assets legally protected from creditors.

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., Suite 1200N, South Bend, IN 46601, Phone: (574) 235-9216.

Benefits Provided and Funding Policy

SBRHP provides for medical insurance benefits to eligible retirees and their spouses. Police officers and firefighters are eligible for retiree health coverage once they attain age 50 with 20 years of service. General employees are eligible for retiree health coverage upon satisfaction of:

- Rule of 85 and age 55; or
- Age 65 with 10 years of service; or
- Age 60 with 15 years of service

Health care coverage ceases when the retiree or dependent reaches age 65.

The contribution requirements of plan members for SBRHP 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, 2020, the City contributed \$858,114 to the plan for current premiums. Police and fire members receiving benefits contributed approximately 35.5% of the total premiums through their required contribution of \$223 per month for retiree-only coverage in the PPO plan and \$135 per month for retiree-only coverage for the HSA plan. Additionally, police and fire members contributed approximately 40.4% of the total premiums through their required contribution of \$669 for retiree and spouse coverage in the PPO plan and \$402 per month for retiree and spouse coverage in the HAS plan. General employee members receiving benefits contributed 100% 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 HSA plans, respectively.

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Active employees with coverage	949
Active employees without coverage	154
Retirees	<u>74</u>
Total	<u><u>1,177</u></u>

Note 17 – Other Postemployment Benefits (Continued)

Total OPEB Liability

The City's total OPEB liability of \$28,186,901 was measured as of December 31, 2020, as determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% per year
Salary increases	2.75%, average, including inflation
Discount rate	2.12% as of December 31, 2020 and 4.11% as of January 1, 2020
Healthcare cost trend rates	8.0% for 2021, decreasing 0.5% per year to an ultimate rate of 4.5% for 2028 and later years
Retirees' share of benefit-related costs	approximately 35.5% for projected health insurance premiums for retirees and approximately 40.4% for retiree and spouse

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds (Bond Buyer Go 20) with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates for healthy retirees were based on the SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 mortality tables with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the year ending December 31, 2007.

The healthcare coverage election rate was 65% for active police and fire with current coverage, 40% for active general employees with current coverage, and 0% for active employees with no coverage.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability as of January 1, 2020	\$ 24,461,814
Changes for the year:	
Service cost	1,072,669
Interest	1,032,011
Changes in benefit terms	-
Differences between expected and actual experience	(2,677,265)
Changes in assumptions or other inputs	5,155,786
Benefit payments	(858,114)
Net changes	3,725,087
Total OPEB Liability as of December 31, 2020	\$ 28,186,901

Note 17 – Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City as of December 31, 2020, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB Liability	30,812,786	28,186,901	25,783,092

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rate:

	<u>1% Decrease (7.0% decreasing to 3.5%</u>	<u>Healthcare Cost Trend Rates (8.0% decreasing to 4.5%</u>	<u>1% Increase (9.0% decreasing to 5.5%</u>
Total OPEB Liability	24,948,885	28,186,901	32,022,381

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$1,667,099. As of December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,093,813	\$ (2,433,877)
Changes in assumptions or other inputs	4,687,078	(6,397,016)
Total	\$ 5,780,891	\$ (8,830,893)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31:</u>	<u>Amount</u>
2021	\$ (437,581)
2022	(437,581)
2023	(437,581)
2024	(437,581)
2025	(437,581)
Thereafter	(862,097)

Note 18 – Pension Plans

Plan Descriptions

Public Employees' Retirement Fund

The Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit pension 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 defined benefit pension 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>.

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 of Police, 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 36-8-7). 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

These plans provide retirement, disability and survivor benefits for public employees not covered by the 1977 Police Officers' and Firefighters' Pension and Disability Fund. The Indiana Code, Title 5, Articles 10.2 and 10.3, as amended only by the Indiana General Assembly, identifies the benefit

Note 18 – Pension Plans (Continued)

provisions and establishes the authority under which members and employers are obligated to contribute to the plan. The City of South Bend participates in two different plans for non-Public Safety positions: the PERF Hybrid Plan and the My Choice Retirement Savings Plan.

- *PERF Hybrid Plan:* PERF Hybrid consists of two components: a monthly, employer-funded defined benefit component and a member-funded defined contribution account. For the defined benefit component, retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 1.1%. Normal retirement ages are age 65 and 10 years (eight years for certain elected officials) of creditable service, age 60 and 15 years of creditable service, and age 55 if age and creditable service total at least 85, with early retirement at 50 with 15 years of service. Vesting period is 10 years. 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. For the defined contribution component of the Hybrid plan, an employee who leaves service may withdraw his or her Annuity Savings Account contributions, plus any accumulated interest.
- *My Choice Retirement Savings Plan:* Defined contribution plan with no defined benefit for employee. Employee contributions are fully vested upon hire, employer contributions to employee account are vested based upon full years of participation (20% per year – 5 full years for 100% vesting).

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% of first-class salary for 20 years of service plus 1% for each six months of active service over 20 years up to a maximum of 12 years (for a total of 32 years of service and 74% of salary). Normal retirement age is 52 with 20 years of service, with early retirement at age 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 based on the severity with a catastrophic disability receiving 100% of salary and less severity receiving lesser amounts ranging down to 35% of salary.

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% increase.

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).

Note 18 – Pension Plans (Continued)

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:

	1925 Police Officer's Pension Plan	1937 Firefighters' Pension Plan
	December 31, 2020	December 31, 2020
Date of member count		
Inactive plan members or beneficiaries currently receiving benefits	191	138
Active plan members	2	2
Total employees covered by the plan	193	140

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% of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2020 was 11.2% of annual payroll for the PERF Hybrid plan and 10.2% of annual payroll for the MyChoice Plan. Contributions to the plan from the City were \$3,618,495 for the year ended December 31, 2020.

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% of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2020 was 17.5% of annual payroll. Contributions to the plan from the City were \$5,295,077 for the year ended December 31, 2020.

1925 Police Officers' Pension Plan

Plan members are required by state statute (IC § 36-8-6-4) to contribute an amount equal to 6% 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 \$6,048,813 during 2020 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

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 6% 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 \$4,323,533 during 2020 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	1925 Police Officers'	1937 Firefighters'
Measurement date used for the City NPL	June 30, 2020	June 30, 2020	December 31, 2020	December 31, 2020
Based on a comprehensive actuarial valuation as of	June 30, 2020	June 30, 2020	December 31, 2020	December 31, 2020

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

1925 Police Officers' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Changes in Net Pension Liability			
Balance as of January 1, 2020	\$ 86,582,078	\$ 701,215	\$ 85,880,863
Service cost	40,214	-	40,214
Interest	1,771,194	-	1,771,194
Plan Amendments	-	-	-
Experience (gains)/ losses	(494,601)	-	(494,601)
Assumption Changes	(371,926)	-	(371,926)
Non-employer contributing entity contributions	-	6,045,313	(6,045,313)
Net investment income	-	3,076	(3,076)
Benefit payments, including refunds	(5,946,093)	(6,183,243)	237,150
Administrative expenses	-	(9,942)	9,942
Net changes:	<u>(5,001,212)</u>	<u>(144,796)</u>	<u>(4,856,416)</u>
Balance as of December 31, 2020	<u>\$ 81,580,866</u>	<u>\$ 556,419</u>	<u>\$ 81,024,447</u>

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

Note 18 – Pension Plans (Continued)

1937 Firefighters Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of January 1, 2020	\$ 66,536,473	\$ 338,172	\$ 66,198,301
Service cost	49,137	-	49,137
Interest	1,362,747	-	1,362,747
Plan Amendments	-	-	-
Experience (gains)/ losses	(457,133)	-	(457,133)
Assumption Changes	(422,909)	-	(422,909)
Non-employer contributing entity contributions	-	4,320,033	(4,320,033)
Net investment income	-	2,579	(2,579)
Benefit payments, including refunds	(4,299,517)	(4,195,490)	(104,027)
Administrative expenses	-	(10,265)	10,265
Net changes:	<u>(3,767,675)</u>	<u>116,857</u>	<u>(3,884,532)</u>
Balance as of December 31, 2020	<u>\$ 62,768,798</u>	<u>\$ 455,029</u>	<u>\$ 62,313,769</u>

The plan's fiduciary net position represents 0.72% of the total pension liability.

Public Employees' Retirement Fund

At December 31, 2020, the City reported a liability of \$17,909,730 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, relative to all other contributing employers. As of June 30, 2020, the City's proportion was 0.59296%, which was an increase of 0.00064% from its proportion measured as of June 30, 2019.

1977 Police Officers' and Firefighters' Pension and Disability Fund

As of December 31, 2020, the City reported a liability of \$7,892,928 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, relative to all other contributing employers. As of June 30, 2020, the City's proportion was 3.25069%, which was a decrease of 0.55881% from its proportion measured as of June 30, 2019.

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

As of December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 18 – Pension Plans (Continued)

Public Employees' Retirement Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 317,309	\$ 240,461
Changes in assumptions	-	3,731,639
Net difference between projected and actual earnings on pension plan investments	1,532,784	-
Employer contributions to the plan subsequent to the measurement date	1,808,867	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	213,989	68,235
Total	\$ 3,872,949	\$ 4,040,335

1977 Police Officers' and Firefighters' Pension and Disability Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,927,314	\$ 806,579
Changes in assumptions	64,925	3,996,515
Net difference between projected and actual earnings on pension plan investments	4,011,846	-
Employer contributions to the plan subsequent to the measurement date	2,640,263	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	98,282	201,672
Total	\$ 11,742,630	\$ 5,004,766

1925 Police Officers' Pension Plan

	Deferred Outflows of Resources
Investment experience	\$ 6,572

1937 Firefighters' Pension Plan

	Deferred Outflows of Resources
Investment experience	\$ 550

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):

Note 18 – Pension Plans (Continued)

Public Employees' Retirement Fund

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ (1,703,420)
2022	(622,936)
2023	(300,988)
2024	651,091
2025	-
Thereafter	-
Total	\$ (1,976,253)

1977 Police Officers' and Firefighters' Pension and Disability Fund

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ (346,634)
2022	58,240
2023	996,108
2024	2,135,750
2025	658,197
Thereafter	595,940
Total	\$ 4,097,601

1925 Police Officers' Pension Plan

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 1,595
2022	1,594
2023	1,544
2024	1,839
2025	-
Thereafter	-
Total	\$ 6,572

1937 Firefighters' Pension Plan

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ (1)
2022	(2)
2023	(114)
2024	667
2025	-
Thereafter	-
Total	\$ 550

Note 18 – Pension Plans (Continued)

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)	2.75% - 8.75%	2.75%	2.75%	2.75%
Investment rate of return (net of expenses)	6.75%	6.75%	1.75%	1.75%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

The actuarial assumptions used in the June 30, 2020 actuarial valuation date valuation were based on the results of an actuarial experience study for the five years ended June 30, 2019.

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 update.

	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	6.75%	6.75%	1.75%	1.75%
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	6.75%	6.75%	1.49%	1.49%

Note 18 – Pension Plans (Continued)

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 1.49%. The source of that bond rate was the Barclay's 20-year Municipal Bond (as referenced in The Wall Street Journal, December 31, 2020).

Investment Rate of Return Best estimates of geometric real rates of return as of the June 30, 2020 measurement date for the Public Employees' Retirement Fund and 1977 Police Officers' and Firefighters' Pension and Disability Fund and December 31, 2020 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%	4.4%
Private Markets	14%	7.6%
Fixed Income - Ex Inflation-Linked	20%	1.9%
Fixed Income - Inflation-Linked	7%	0.5%
Commodities	8%	1.6%
Real Estate	7%	5.8%
Absolute Return	10%	2.9%
Risk Parity	12%	5.5%

1925 Police Officers' Pension Plan

Asset Class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1.75%
Fixed income investments	1.75%

1937 Firefighters' Pension Plan

Asset Class	Long-term Expected Real Rate of Return
Cash or cash equivalents	1.75%
Government agency securities	1.75%

Note 18 – Pension Plans (Continued)

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

Pension Plan	1% Decrease (5.75%)	Discount (6.75%)	1% Increase (7.75%)
Public Employees' Retirement Fund	\$ 29,198,952	\$ 17,909,730	\$ 8,454,090
1977 Police Officers' and Firefighters' Pension and Disability Fund	42,036,853	7,892,928	(19,770,753)

Pension Plan	1% Decrease (0.49%)	Discount (1.49%)	1% Increase (2.49%)
1925 Police Officers' Pension Plan	\$ 89,598,261	\$ 81,024,447	\$ 73,741,058
1937 Firefighters' Pension Plan	69,070,931	62,313,769	56,596,950

Detailed Information

Public Employees' Retirement Fund, and 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: https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.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.

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

Note 18 – Pension Plans (Continued)

when due and payable in accordance with the benefit terms.

Assumption Changes

Public Employees' Retirement Fund

There were several actuarial assumption changes in the Public Employees Retirement Fund that impacted the net pension liability:

- The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to service-based table ranging from 2.75% to 8.75%.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.
- The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to age-based table dependent on eligibility for a reduced benefit or unreduced benefit.
- The termination, marital, and disability assumptions were updated based on recent experience.
- The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

1977 Police Officers' and Firefighters' Pension and Disability Fund

There were several actuarial assumption changes in the 1977 Police Officers' and Firefighters' Pension and Disability Fund that impacted the net pension liability:

- The future salary increase assumptions changed from 2.50% per year to 2.75% per year.
- The cost of living increase assumption changed from 2.00% per year in retirement to 2.10% per year in retirement.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.
- The retirement assumption was updated based on recent experience, including the addition of an assumption regarding the Deferred Retirement Option Plan (DROP).
- The assumptions around disability frequency and type and marital assumptions were updated based on recent experience.
- The line of duty death assumption was updated based on recent experience.

1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Plan

The following actuarial assumption changes occurred for the 1925 Police Officers and 1937 Firefighters pension plans since the Prior Measurement Date.

Note 18 – Pension Plans (Continued)

- Discount rate: The discount rate used for the December 31, 2020 valuation was 1.49%, as directed by INPRS, based on the Barclay’s 20-year Municipal Bond Index as of December 31, 2020. This is a decrease from the 2.13% used for the December 31, 2019 valuation.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

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, 2020:

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

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The total aggregate amounts, for all City plans, of employer’s pension liability, deferred outflows of resources, deferred inflows of resources and pension expenditures for the period associated with net pension liabilities is as follows:

Plan Description	Net Pension Liability	Pension Expenses (Income)	Deferred Outflows	Deferred Inflows
Public Employees' Retirement Fund	\$ 17,909,730	\$ 1,577,213	\$ 3,872,949	\$ 4,040,335
1977 Police Officers and Firefighters Pension and Disability Fund	7,892,928	5,141,515	11,742,630	5,004,766
1925 Police Officers' Pension Plan	81,024,447	934,205	6,572	-
1937 Firefighters' Pension Plan	62,313,769	525,923	550	-
Total Aggregate Amounts	\$ 169,140,875	\$ 8,178,856	\$ 15,622,701	\$ 9,045,101

Note 19 – Pension Trust Funds

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

	1925 Police Pension	1937 Fire Pension	Total
Statement of Net Position			
Cash and investments	\$ 567,980	\$ 454,690	\$ 1,022,670
Other assets	511	409	920
Liabilities	(12,072)	(70)	(12,142)
Net position	556,419	455,029	1,011,448
Statement of Changes in Net Position:			
Investment income	3,076	2,579	5,655
Contributions	6,055,097	4,323,533	10,378,630
Benefit payments	(6,189,527)	(4,195,490)	(10,385,017)
Other deductions	(13,442)	(13,766)	(27,208)
Net change in net position	\$ (144,796)	\$ 116,856	\$ (27,940)

Note 20 – Reporting Changes and Prior Period Adjustments

The City made nine prior period adjustments to presentation of the year ended December 31, 2019 financial statements.

Changes in Accounting Principle

1. Change in reporting related to activity of the City’s Division of Code Enforcement from business-type activities to governmental activities.
 - In 2020, the City made the decision to create a new governmental fund to account for the activities of the Division of Code Enforcement. This decision was made based on an assessment of the relevant accounting guidance, given the reality that the Code Enforcement division is primarily funded by non-exchange revenue. Previously, these activities were accounted for within the Consolidated Building Fund, an enterprise fund.
 - The net effect of this change as of December 31, 2019 was an increase of \$1,477,557 in net position of governmental activities and a decrease of \$1,477,557 in net position of business-type activities.

2. Change in reporting related to activity of the City’s Emergency Medical Services (EMS) division from business-type activities to governmental activities.
 - In 2020, the City made the decision to close the City’s separate EMS Operational Fund (which was an enterprise fund) and instead account for the activities of EMS within the General Fund. This decision was made because the City recognizes that the operations of the Fire Department are not easily split into EMS services and non-EMS services, and now believes it is more accurate to consider the activities of the Fire Department holistically. Under this new methodology of looking at the Fire Department activities, it became clear that the department is primarily funded by non-exchange revenue and thus more appropriately accounted for in a governmental fund.
 - The net effect of this change as of December 31, 2019 was an increase of \$2,278,756 in net position of governmental activities and a decrease of \$2,278,756 in net position of business-type activities.

Note 20 – Reporting Changes and Prior Period Adjustments (Continued)

Corrections of Errors in Previously Issued Financial Statements

3. Add two blended component units that were not previously included:
 - The Urban Enterprise Association of South Bend (“UEA”) is a legally separate nonprofit corporation, which is reported as if it were a part of the City. The UEA exists exclusively to benefit the City through a variety of economic development programs. The net effect of this addition as of December 31, 2019 was an increase of \$1,837,594 in net position of governmental activities.
 - The Venues Parks & Arts Foundation (“VPA Foundation”) is a legally separate nonprofit corporation, which is reported as if it were a part of the City. The VPA Foundation exists solely to raise money through donations and grants for the City. The net effect of this addition as of December 31, 2019 was an increase of \$335,800 in net position of governmental activities.
4. Adjust incorrectly reported amounts for a variety of assets classified as Construction in Progress as of December 31, 2019.
 - Several capital assets classified as Construction in Progress as of December 31, 2019 were understated. Several other projects were incorrectly not counted as Construction in Progress. This correction affected the following projects:
 - Governmental activities
 - Corby-Ironwood-Rockne Intersection Improvements
 - Olive Street Road Reconstruction
 - Pinhook Park Improvements
 - Pulaski Park Improvements
 - River Walk from Beyer St. to Howard Park
 - Seitz Park Reconstruction
 - Washington & LaPorte Street Improvement
 - Fire Station #9
 - O'Brien Recreational Center Renovations
 - Sheridan & Sample Street Signal Improvements
 - Howard Park/Riverfront Trail Improvements
 - Bendix Drive - Lathrop to Toll Road
 - Business-type activities
 - Eagle Way Sewer Extension
 - Sewer and Manhole Rehabilitation
 - Colfax Lift Station Improvements
 - The net effect of these corrections as of December 31, 2019 was an increase of \$4,653,906 in net position of governmental activities and an increase of \$166,999 in net position of business-type activities.

Note 20 – Reporting Changes and Prior Period Adjustments (Continued)

5. Correct an error in accounts receivable that overstated revenue and receivables in the Economic Development State Grants Fund
 - A single receivable was inadvertently counted as both a loan receivable and an account receivable, resulting in the City overstating receivables and revenues.
 - The net effect of this correction as of December 31, 2019 was a decrease of \$17,085 in net position of governmental activities.
6. Correct an error in accounts payable that overstated expenses and payables in the Equipment Vehicle Leasing Fund.
 - Payable was incorrectly recognized and recorded in 2019.
 - The net effect of this correction as of December 31, 2019 was an increase of \$45,000 in net position of governmental activities.
7. Allocate net pension liability and deferred inflows/outflows related to pensions between Business-Type and Governmental Activities
 - In the December 31, 2019 financial statements, the City incorrectly listed the entirety of its net pension liability and deferred inflows/outflows related to pensions as governmental activities. In reality, these accounts should have been allocated to both governmental and business-type activities.
 - The net effect of this change as of December 31, 2019 was an increase of \$5,909,510 in net position of governmental activities and a decrease of \$5,909,510 in net position of business-type activities.
8. Allocate total OPEB liability and deferred inflows/outflows related to OPEB between Business-Type and Governmental Activities
 - In the December 31, 2019 financial statements, the City incorrectly listed the entirety of its total OPEB liability and deferred inflows/outflows related to OPEB as governmental activities. In reality, these accounts should have been allocated to both governmental and business-type activities.
 - The net effect of this change as of December 31, 2019 was an increase of \$4,550,540 in net position of governmental activities and a decrease of \$4,550,540 in net position of business-type activities.
9. Correction to bond premium and discount amortization schedules
 - The City erroneously calculated some of its bond premium amortization schedules and bond discount amortization schedules using the straight-line amortization method, which is not allowable. The City has revised these schedules to conform to GASB guidance, which requires the effective-interest method of amortization for bond premiums and discounts.
 - The net effect of this change as of December 31, 2019 was an increase of \$266,019 in net position of governmental activities and a decrease of \$526,164 in net position of business-type activities.

Note 20 – Reporting Changes and Prior Period Adjustments (Continued)

Summary of Effects of Prior Period Adjustments on Net Position

	Governmental activities	Business-type activities				Total
		Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	
Net position - December 31, 2019, as previously reported	\$ 134,603,107	\$ 53,214,749	\$130,604,652	\$ 19,064,859	\$ 17,110,706	\$219,994,966
1. Adjustment of Code Enforcement activities	1,477,557				(1,477,557)	(1,477,557)
2. Adjustment of Emergency Medical Services activities	2,278,756				(2,278,756)	(2,278,756)
3. Addition of two new blended component units - UEA and VPA Foundation	2,173,394					-
4. Addition to and correction of various construction projects within CIP	4,653,906		166,999			166,999
5. Correct error in accounts receivable in Economic Development State Grants Fund	(17,085)					-
6. Correct an error in accounts payable in the Equipment Vehicle Leasing Fund	45,000					-
7. Allocate pension liability and deferred inflows/outflows	5,909,510	(1,885,816)	(2,680,496)	(269,608)	(1,073,590)	(5,909,510)
8. Allocate OPEB liability and deferred inflows/outflows	4,550,540	(1,452,148)	(2,064,080)	(207,608)	(826,704)	(4,550,540)
9. Correction to bond premium and discount amortization schedules	266,019	(47,691)	(478,473)			(526,164)
Net position - December 31, 2019, as restated	\$ 155,940,705	\$ 49,829,094	\$125,548,602	\$ 18,587,643	\$ 11,454,099	\$205,419,438

Summary of Effects of Prior Period Adjustments on Changes in Net Position

	Governmental activities	Business-type activities				Total
		Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	
Changes in net position for the year ended December 31, 2019, as previously reported	\$ (23,991,768)	\$ 3,005,014	\$ 5,443,935	\$ (320,497)	\$ 75,239	\$ 8,203,691
1. Adjustment of Code Enforcement activities	(12,102)				12,102	12,102
2. Adjustment of Emergency Medical Services activities	(770,936)				770,936	770,936
3. Addition of two new blended component units - UEA and VPA Foundation	126,323					-
4. Addition to and correction of various construction projects within CIP	3,204,377		142,059			142,059
5. Correct error in accounts receivable in Economic Development State Grants Fund	(17,085)					-
6. Correct an error in accounts payable in the Equipment Vehicle Leasing Fund	45,000					-
7. Allocate pension liability and deferred inflows/outflows	445,451	(142,150)	(202,052)	(20,323)	(80,926)	(445,451)
8. Allocate OPEB liability and deferred inflows/outflows	204,481	(65,253)	(92,751)	(9,329)	(37,148)	(204,481)
9. Correction to bond premium and discount amortization schedules	35,876	(10,434)	43,565			33,132
Changes in net position for the year ended December 31, 2019, as restated	\$ (20,730,382)	\$ 2,787,177	\$ 5,334,757	\$ (350,149)	\$ 740,202	\$ 8,511,988

December 31, 2020

Note 21 – Closure and Post-closure 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 post-closure care costs are reported as operating expenses, as incurred. For the year ending December 31, 2020, the total expenses incurred were \$49,770. The remaining expected liability relating to post-closure costs is estimated at less than \$250,000 and due to the minimal nature of these expenditures, is not included in the financial statements. This estimate is subject to changes due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

Note 22 – 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, 2020, the City abated property taxes totaling \$2,147,799 under this program. One property had property taxes abated that exceeded 10% of the total amount. For this property, the taxes abated were \$658,807.

Required Supplementary Information

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

Last Seven Fiscal Years
Years Ended December 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.75%	1.75%	1.75%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

City of South Bend, Indiana

Required Supplementary Information 1925 Police Officers' Pension Plan Schedule of Contributions

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 6,183,243	\$ 6,363,550	\$6,161,954	\$6,119,059	\$ 6,133,389	\$6,073,049	\$6,432,800	\$6,633,200	\$6,986,200	\$7,317,800
Contributions in relation to the actuarially determined contribution	<u>6,045,313</u>	<u>6,107,782</u>	<u>6,220,658</u>	<u>6,204,179</u>	<u>6,364,236</u>	<u>6,323,645</u>	<u>6,116,195</u>	<u>5,837,216</u>	<u>6,776,614</u>	<u>6,512,842</u>
Contribution (Deficiency) Excess	<u>\$ (137,930)</u>	<u>\$ (255,768)</u>	<u>\$ 58,704</u>	<u>\$ 85,120</u>	<u>\$ 230,847</u>	<u>\$ 250,596</u>	<u>\$ (316,605)</u>	<u>\$ (795,984)</u>	<u>\$ (209,586)</u>	<u>\$ (804,958)</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$441,200	\$441,200	\$430,000	\$421,800	\$542,900
Contributions as a Percentage of Covered Payroll	0.0%	0.0%	0.0%	0.0%	0.0%	1433.3%	1386.3%	1357.5%	1606.6%	1199.6%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2020

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 2.75% per year

Investment rate of return 1.75% 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 Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

Other information Cost of living increases of 2.75% per year in retirement for non-converted and 2.10% per year for converted

The following actuarial assumption changes occurred for the 1925 Police Officers pension plan since the Prior Measurement Date:

- Discount rate: The discount rate used for the December 31, 2020 valuation was 1.49%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2020. This is a decrease from the 2.13% used for the December 31, 2019 valuation.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

Required Supplementary Information
 Schedule of Changes in the City Net Pension Liability and Related Ratios
 1925 Police Officers' Pension Plan

**Last Seven Fiscal Years
 Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 40,214	\$ 84,969	\$ 92,916	\$ 78,812	\$ 164,481	\$ 184,104	\$ 157,965
Interest	1,771,194	2,445,011	2,337,437	2,653,831	2,344,653	2,415,583	3,721,864
Experience (gains)/losses	(494,601)	278,613	2,284,134	995,949	396,259	(2,973,249)	-
Plan amendments	-	870,092	-	-	-	-	-
Changes in assumptions	(371,926)	7,451,976	(2,697,730)	3,926,922	(5,617,308)	(294,402)	12,487,771
Projected benefit payments	(5,946,093)	(6,112,665)	(6,146,696)	(6,045,097)	(5,977,290)	(6,061,589)	(6,122,870)
Net Change in Total Pension Liability	(5,001,212)	5,017,996	(4,129,939)	1,610,417	(8,689,205)	(6,729,553)	10,244,730
Total Pension Liability - Beginning of year	86,582,078	81,564,082	85,694,021	84,083,604	92,772,809	99,502,362	89,257,632
Total Pension Liability - End of year	<u>\$81,580,866</u>	<u>\$86,582,078</u>	<u>\$81,564,082</u>	<u>\$85,694,021</u>	<u>\$84,083,604</u>	<u>\$92,772,809</u>	<u>\$99,502,362</u>
Plan Fiduciary Net Position							
Contributions - Other	\$ -	\$ -	\$ -	\$ 13,544	\$ 15,749	\$ 62	\$ 4,329
Contributions - Non-employer Entity	6,045,313	6,107,782	6,220,658	6,204,179	5,991,750	6,378,359	6,111,865
Net investment income	3,076	18,102	15,219	6,557	6,713	4,376	3,759
Administrative expenses	(9,942)	(10,304)	(10,054)	(13,577)	(13,551)	(12,462)	(10,957)
Benefit payments, including refunds	(6,183,243)	(6,363,550)	(6,161,954)	(6,119,245)	(6,364,236)	(6,323,646)	(6,705,815)
Net Change in Plan Fiduciary Net Position	(144,796)	(247,970)	63,869	91,458	(363,575)	46,689	(596,819)
Plan Fiduciary Net Position - Beginning of year	701,215	949,185	885,316	793,858	1,157,433	1,110,743	1,707,562
Plan Fiduciary Net Position - End of year	\$556,419	\$701,215	\$949,185	\$885,316	\$793,858	\$1,157,432	\$1,110,743
City's Net Pension Liability - Ending	<u>\$81,024,447</u>	<u>\$85,880,863</u>	<u>\$80,614,897</u>	<u>\$84,808,705</u>	<u>\$83,289,746</u>	<u>\$91,615,377</u>	<u>\$98,391,619</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	0.68%	0.81%	1.16%	1.03%	0.94%	1.25%	1.12%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,200	\$ 441,200
City's Net Pension Liability as a % of Covered Payroll	-	-	-	-	-	20765%	22301%

Information is presented for the years available

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

**Last Seven Fiscal Years
Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.75%	1.75%	1.75%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

City of South Bend, Indiana

Required Supplementary Information 1937 Firefighters' Pension Plan Schedule of Contributions

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$4,195,490	\$4,439,496	\$4,618,617	\$4,727,592	\$5,152,192	\$4,977,042	\$5,436,400	\$5,550,900	\$5,787,300	\$6,399,700
Contributions in relation to the actuarially determined contribution	<u>4,320,033</u>	<u>4,462,993</u>	<u>4,472,469</u>	<u>4,920,712</u>	<u>5,165,758</u>	<u>5,197,158</u>	<u>5,130,581</u>	<u>5,051,319</u>	<u>5,208,570</u>	<u>5,503,742</u>
Contribution (Deficiency) Excess	<u>\$124,543</u>	<u>\$23,497</u>	<u>\$(146,148)</u>	<u>\$193,120</u>	<u>\$13,566</u>	<u>\$220,116</u>	<u>\$(305,819)</u>	<u>\$(499,581)</u>	<u>\$(578,730)</u>	<u>\$(895,958)</u>
Covered Payroll	\$-	\$-	\$-	\$-	\$-	\$328,600	\$328,600	\$319,300	\$365,500	\$397,100
Contributions as a Percentage of Covered Payroll	- %	- %	- %	- %	- %	1581.61%	1561.30%	1582.00%	1425.10%	1386.00%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2020

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 2.75% per year

Investment rate of return 1.75% 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 Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

Other information Cost of living increases of 2.75% per year in retirement for non-converted and 2.10% per year for converted

The following actuarial assumption changes occurred for the 1937 Firefighters pension plan since the Prior Measurement Date:

- Discount rate: The discount rate used for the December 31, 2020 valuation was 1.49%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2020. This is a decrease from the 2.13% used for the December 31, 2019 valuation.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

City of South Bend, Indiana

Required Supplementary Information
 Schedule of Changes in the City Net Pension Liability and Related Ratios
 1937 Firefighters' Pension Plan

**Last Seven Fiscal Years
 Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$49,137	\$62,978	\$98,529	\$81,717	\$163,162	\$155,487	\$114,297
Interest	1,362,747	1,865,607	1,815,032	2,124,050	1,940,826	2,020,796	3,155,669
Experience (gains)/losses	(457,133)	(1,096,354)	(482,208)	(1,611,010)	(262,337)	(2,816,692)	-
Plan amendments	-	941,442	-	-	-	-	-
Changes in assumptions	(422,909)	5,758,955	(2,105,211)	3,179,702	(4,645,609)	(245,887)	9,620,657
Projected benefit payments	(4,299,517)	(4,420,816)	(4,572,612)	(4,727,592)	(4,980,991)	(5,094,762)	(5,206,870)
Net Change in Total Pension Liability	<u>(3,767,675)</u>	<u>3,111,812</u>	<u>(5,246,470)</u>	<u>(953,133)</u>	<u>(7,784,949)</u>	<u>(5,981,058)</u>	<u>7,683,753</u>
Total Pension Liability - Beginning of year	<u>66,536,473</u>	<u>63,424,661</u>	<u>68,671,131</u>	<u>69,624,264</u>	<u>77,409,213</u>	<u>83,390,271</u>	<u>75,706,518</u>
Total Pension Liability - End of year	<u><u>\$62,768,798</u></u>	<u><u>\$66,536,473</u></u>	<u><u>\$63,424,661</u></u>	<u><u>\$68,671,131</u></u>	<u><u>\$69,624,264</u></u>	<u><u>\$77,409,213</u></u>	<u><u>\$83,390,271</u></u>
Plan Fiduciary Net Position							
Contributions - Other	\$-	\$-	\$-	\$4,251	\$6,279	\$2,667	\$1,484
Contributions - Non-employer Entity	4,320,033	4,462,993	4,472,469	4,920,712	4,866,271	5,039,025	5,129,098
Net investment income	2,579	9,432	7,596	3,352	2,852	2,675	1,963
Administrative expenses	(10,265)	(10,309)	(12,154)	(14,771)	(14,485)	(14,255)	(10,920)
Benefit payments, including refunds	(4,195,490)	(4,439,496)	(4,618,617)	(4,614,480)	(5,165,758)	(5,197,159)	(5,407,429)
Net Change in Plan Fiduciary Net Position	<u>116,857</u>	<u>22,620</u>	<u>(150,706)</u>	<u>299,064</u>	<u>(304,841)</u>	<u>(167,047)</u>	<u>(285,804)</u>
Plan Fiduciary Net Position - Beginning of year	<u>338,172</u>	<u>315,552</u>	<u>466,258</u>	<u>167,194</u>	<u>472,035</u>	<u>639,081</u>	<u>924,885</u>
Plan Fiduciary Net Position - End of year	<u>\$455,029</u>	<u>\$338,172</u>	<u>\$315,552</u>	<u>\$466,258</u>	<u>\$167,194</u>	<u>\$472,034</u>	<u>\$639,081</u>
City's Net Pension Liability - Ending	<u><u>\$62,313,769</u></u>	<u><u>\$66,198,301</u></u>	<u><u>\$63,109,109</u></u>	<u><u>\$68,204,873</u></u>	<u><u>\$69,457,070</u></u>	<u><u>\$76,937,179</u></u>	<u><u>\$82,751,190</u></u>
Plan Fiduciary Net Position as a % of Total Pension Liability	0.72%	0.51%	0.50%	0.68%	0.24%	0.61%	0.77%
Covered Payroll	\$-	\$-	\$-	\$-	\$-	\$328,600	\$328,600
City's Net Pension Liability as a % of Covered Payroll	- %	- %	- %	- %	- %	23414%	25183%

Information is presented for the years available

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

	Last Six Fiscal Years Years Ended June 30					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,577,213	\$ 3,534,744	\$ 3,302,670	\$ 5,307,308	\$ 4,526,527	\$ 3,650,212
Contributions in relation to the actuarially determined contributions	<u>3,621,367</u>	<u>3,523,406</u>	<u>3,385,879</u>	<u>3,320,567</u>	<u>3,037,666</u>	<u>2,982,234</u>
Contribution Excess (Deficiency)	<u>\$ 2,044,154</u>	<u>\$ (11,338)</u>	<u>\$ 83,209</u>	<u>\$ (1,986,741)</u>	<u>\$ (1,488,861)</u>	<u>\$ (667,978)</u>
Covered Payroll	\$ 32,664,657	\$ 32,020,965	\$ 30,503,247	\$ 29,647,920	\$ 27,389,875	\$ 26,681,229
Contributions as a Percentage of Covered Payroll	11.1%	11.0%	11.1%	11.2%	11.2%	11.2%

Information is presented for the years available

Contributions in relation to the actuarially determined contributions and covered payroll are reported as of the City's calendar year-end (December 31).

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percent of payroll

Actuarial Amortization Period for Unfunded Liability 20 years, closed

Remaining amortization period 24 years

Asset valuation method Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Fair Value of Assets subject to a 20% corridor

Inflation 2.25% per year

Salary increase 2.75% to 8.75% per year

Investment rate of return 6.75% per year, includes inflation and net of administrative and investment expenses

Retirement age Normal retirement ages are age 65 and 10 years (eight years for certain elected officials) of service, age 60 and 15 years of service, and age 55 if age and service total at least 85 with early retirement at 50 with 15 years of service

Mortality Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Other information In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed:

.40% beginning on January 1, 2022; .50% beginning on January 1, 2034; .60% beginning on January 1, 2039

There were several actuarial assumption changes in the Public Employees Retirement Fund since the Prior Measurement Date:

- The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to service-based table ranging from 2.75% to 8.75%.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.
- The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to age-based table dependent on eligibility for a reduced benefit or unreduced benefit.
- The termination, marital, and disability assumptions were updated based on recent experience.
- The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

City of South Bend, Indiana

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

	Last Seven Fiscal Years Years Ended June 30						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.59296%	0.59232%	0.58323%	0.57988%	0.54700%	0.55700%	0.56300%
City's proportionate share of the net pension liability (asset)	\$ 17,909,730	\$ 19,576,553	\$ 19,812,587	\$ 25,871,598	\$ 24,845,715	\$ 22,687,694	\$ 14,807,363
City's Covered Payroll	\$ 32,011,410	\$ 30,860,389	\$ 29,759,859	\$ 28,768,543	\$ 26,237,016	\$ 26,691,229	\$ 27,509,916
City's Proportionate Share of the Net pension Liability (Asset) as a Percentage of its Covered Payroll	55.95%	63.44%	66.57%	89.93%	94.70%	85.00%	53.83%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%

Information is presented for the years available

Required Supplementary Information
Schedule of City Contributions
1977 Police Officers' Pension and Disability Fund

	Last Six Fiscal Years Years Ended June 30					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,436,668	\$ 5,137,820	\$ 1,702,380	\$ 2,143,623	\$ 2,029,937	\$ 709,017
Contributions in relation to the actuarially determined contributions	<u>2,499,056</u>	<u>2,528,512</u>	<u>2,479,908</u>	<u>2,394,421</u>	<u>2,715,555</u>	<u>2,625,418</u>
Contribution Excess (Deficiency)	<u>62,388</u>	<u>(2,609,308)</u>	<u>777,528</u>	<u>250,798</u>	<u>685,618</u>	<u>1,916,401</u>
Covered Payroll	\$ 14,280,320	\$ 14,448,643	\$ 14,170,905	\$ 12,873,232	\$ 13,784,545	\$ 13,327,077
Contributions as a Percentage of Covered Payroll	17.5%	17.5%	17.5%	18.6%	19.7%	19.7%

Information is presented for the years available

Contributions in relation to the actuarially determined contributions and covered payroll are reported as of the City's calendar year-end (December 31).

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percent of payroll

Actuarial Amortization Period for Unfunded Liability 30 years, open

Remaining amortization period 30 years, open

Asset valuation method Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor

Inflation 2.25% per year

Salary increase 2.75% per year

Investment rate of return 6.75% per year, includes inflation and net of administrative and investment expenses

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 Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

Other information Cost of living increases of 2.10% per year, beginning July 1, 2020

There were several actuarial assumption changes in the 1977 Police Officers' and Firefighters' Pension and Disability Fund since the Prior Measurement Date:

- The future salary increase assumptions changed from 2.50% per year to 2.75% per year.
- The cost of living increase assumption changed from 2.00% per year in retirement to 2.10% per year in retirement.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.
- The retirement assumption was updated based on recent experience, including the addition of an assumption regarding the Deferred Retirement Option Plan (DROP).
- The assumptions around disability frequency and type and marital assumptions were updated based on recent experience.
- The line of duty death assumption was updated based on recent experience.

City of South Bend, Indiana

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

	Last Seven Fiscal Years Years Ended June 30						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.54916%	1.62738%	1.6501%	1.72294%	1.75600%	1.78700%	1.82900%
City's proportionate share of the net pension liability (asset)	\$3,761,481	\$149,979	\$(1,450,622)	\$(265,770)	\$1,559,932	\$(2,640,039)	\$(932,236)
City's Covered Payroll	\$14,365,200	\$14,385,011	\$13,896,923	\$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 Payroll	26.18%	1.04%	-10.44%	-1.90%	11.49%	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.40%	99.90%	101.50%	100.3%	98.2%	103.2%	101.1%

Information is presented for the years available

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

	Last Six Fiscal Years Years Ended June 30					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,704,847	\$ 5,562,940	\$ 1,867,174	\$ 2,232,482	\$ 2,053,907	\$ 743,238
Contributions in relation to the actuarially determined contributions	<u>2,795,379</u>	<u>2,730,295</u>	<u>2,690,987</u>	<u>2,556,604</u>	<u>2,717,624</u>	<u>2,666,116</u>
Contribution Excess (Deficiency)	<u>90,532</u>	<u>(2,832,645)</u>	<u>823,813</u>	<u>324,122</u>	<u>663,717</u>	<u>1,922,878</u>
Covered Payroll	\$ 15,973,594	\$ 15,601,683	\$ 15,377,071	\$ 13,745,183	\$ 13,795,047	\$ 13,533,745
Contributions as a Percentage of Covered Payroll	17.50%	17.50%	17.50%	18.60%	19.70%	19.70%

Information is presented for the years available

Contributions in relation to the actuarially determined contributions and covered payroll are reported as of the City's calendar year-end (December 31).

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percent of payroll

Actuarial Amortization Period for Unfunded Liability 30 years, open

Remaining amortization period 30 years, open

Asset valuation method Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor

Inflation 2.25% per year

Salary increase 2.75% per year

Investment rate of return 6.75% per year, includes inflation and net of administrative and investment expenses

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 Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

Other information Cost of living increases of 2.10% per year, beginning July 1, 2020

There were several actuarial assumption changes in the 1977 Police Officers' and Firefighters' Pension and Disability Fund since the Prior Measurement Date:

- The future salary increase assumptions changed from 2.50% per year to 2.75% per year.
- The cost of living increase assumption changed from 2.00% per year in retirement to 2.10% per year in retirement.
- The mortality assumptions changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.
- The retirement assumption was updated based on recent experience, including the addition of an assumption regarding the Deferred Retirement Option Plan (DROP).
- The assumptions around disability frequency and type and marital assumptions were updated based on recent experience.
- The line of duty death assumption was updated based on recent experience.

City of South Bend, Indiana

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

	Last Seven Fiscal Years Years Ended June 30						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.70153%	1.75457%	1.78736%	1.77600%	1.75800%	1.81500%	1.79500%
City's proportionate share of the net pension liability (asset)	\$ 4,131,447	\$ 161,701	\$ (1,571,289)	\$ (273,955)	\$ 1,561,833	\$ (2,680,987)	\$ (915,265)
City's Covered Payroll	\$15,778,121	\$15,509,357	\$15,052,876	\$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 Payroll	26.18%	1.04%	-10.44%	-1.90%	11.49%	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.40%	99.90%	101.50%	100.3%	98.2%	103.2%	101.1%

Information is presented for the years available

Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios

**Last Three Fiscal Years
Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service Cost	\$ 1,072,669	\$ 1,049,065	\$ 1,489,465
Interest	1,032,011	981,132	1,026,964
Difference between expected and actual experience	(2,677,265)	-	1,503,991
Changes of assumptions or other inputs	5,155,786	-	(8,795,897)
Benefit payments	<u>(858,114)</u>	<u>(774,470)</u>	<u>(758,730)</u>
Net change in total OPEB liability	3,725,087	1,255,727	(5,534,207)
Total OPEB Liability - beginning	<u>24,461,814</u>	<u>23,206,087</u>	<u>28,740,294</u>
Total OPEB Liability - ending	<u>\$ 28,186,901</u>	<u>\$ 24,461,814</u>	<u>\$ 23,206,087</u>
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - ending	<u>\$ 28,186,901</u>	<u>\$ 24,461,814</u>	<u>\$ 23,206,087</u>
Plan fiduciary net position as % of total OPEB liability	0%	0%	0%
Covered-Employee Payroll	<u>\$ 62,222,358</u>	<u>\$ 60,754,757</u>	<u>\$ 58,876,762</u>
Net OPEB liability as a % of covered payroll	45.3%	40.3%	39.4%

Information is presented for the years available

Required Supplementary Information
Budgetary Comparison Schedules
General Fund

December 31, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 39,697,892	\$ 40,660,123	\$ 40,660,123	\$ -
Licenses and permits	266,700	303,527	281,230	(22,297)
Intergovernmental	4,570,496	5,112,720	4,460,062	(652,658)
Charges for services	5,056,377	4,741,092	4,468,596	(272,496)
Fines and forfeitures	8,525	10,825	5,298	(5,527)
Investment income	470,000	314,143	309,268	(4,875)
Other	11,660,295	11,460,518	11,596,811	136,293
Total revenues	61,730,285	62,602,948	61,781,388	(821,560)
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	988,394	998,394	933,005	65,389
Supplies	700	10,700	6,028	4,672
Other services and charges	831,923	461,423	399,131	62,292
City Clerk:				
Personnel services	409,578	409,578	374,456	35,122
Supplies	6,800	6,800	6,389	411
Other services and charges	155,112	151,356	132,113	19,243
Common Council:				
Personnel services	369,621	369,621	271,770	97,851
Supplies	9,590	9,590	2,716	6,874
Other services and charges	350,844	306,832	209,275	97,557
Administration/Finance:				
Personnel services	2,873,161	2,885,046	2,748,316	136,730
Supplies	27,068	21,663	15,494	6,169
Other services and charges	850,859	691,932	618,763	73,169
Legal Department:				
Personnel services	1,298,952	1,298,952	1,206,003	92,949
Supplies	3,747	3,747	3,568	179
Other services and charges	103,181	101,931	89,458	12,473
Total general government	8,279,530	7,727,565	7,016,485	711,080
Public safety:				
Police Department:				
Personnel services	23,530,659	23,245,687	21,524,072	1,721,615
Supplies	1,342,893	1,286,716	782,538	504,178
Other services and charges	6,060,337	6,239,958	5,886,220	353,738
Fire Department:				
Personnel services	22,106,447	22,610,947	21,985,830	625,117
Supplies	999,996	948,686	837,716	110,970
Other services and charges	3,828,090	4,034,224	3,855,098	179,126
Total public safety	57,868,422	58,366,218	54,871,474	3,494,744

Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund (Continued)

December 31, 2020

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and streets:				
Engineering:				
Personnel services	2,458,286	2,438,286	2,268,284	170,002
Supplies	23,723	33,723	5,144	28,579
Other services and charges	923,504	720,177	606,228	113,949
Office of Sustainability:				
Personnel services	460,835	460,835	376,087	84,748
Supplies	94,138	94,050	33,428	60,622
Other services and charges	327,516	286,273	132,449	153,824
Capital outlay	50,000	50,000	-	50,000
Total highways and streets	<u>4,338,002</u>	<u>4,083,344</u>	<u>3,421,620</u>	<u>661,724</u>
Culture and recreation:				
Morris Performing Arts Center:				
Personnel services	716,255	715,695	417,368	298,327
Supplies	39,050	38,850	22,110	16,740
Other services and charges	572,835	545,942	388,909	157,033
Palais Royale Ballroom:				
Personnel services	119,449	119,449	56,786	62,663
Supplies	13,792	13,792	5,031	8,761
Other services and charges	252,241	244,532	159,596	84,936
Capital outlay	15,300	15,300	-	15,300
Total culture and recreation	<u>1,728,922</u>	<u>1,693,560</u>	<u>1,049,800</u>	<u>643,760</u>
Total expenditures	<u>72,214,876</u>	<u>71,870,687</u>	<u>66,359,379</u>	<u>5,511,308</u>
Other Financing Sources (Uses):				
Transfers in	9,663,757	12,449,923	12,505,291	55,368
Transfers out	-	(675,579)	(175,579)	500,000
Net change in fund balances	(820,834)	2,506,605	7,751,721	5,245,116
Fund balances - Beginning	<u>44,871,229</u>	<u>44,871,229</u>	<u>44,871,229</u>	-
Fund balances - Ending	<u>\$ 44,050,395</u>	<u>\$ 47,377,834</u>	<u>\$ 52,622,950</u>	<u>\$ 5,245,116</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,751,721	
To adjust revenues for accruals			6,771,081	
To adjust expenditures for accruals			(6,796,386)	
Net change in fund balance, GAAP basis			<u>\$ 7,726,416</u>	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds
 Parks and Recreation Fund

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 9,340,797	\$ 9,566,845	\$ 9,566,845	\$ -
Intergovernmental	845,000	1,552,679	1,552,679	-
Charges for services	3,036,794	3,204,690	2,760,462	(444,228)
Fines and forfeitures	-	-	-	-
Investment income	87,861	7,250	7,167	(83)
Other	1,297,500	1,340,008	1,187,117	(152,891)
	<u>14,607,952</u>	<u>15,671,472</u>	<u>15,074,270</u>	<u>(597,202)</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	8,465,716	8,365,716	8,149,458	216,258
Supplies	1,573,600	1,527,182	1,173,909	353,273
Other services and charges	5,263,190	5,453,899	4,994,997	458,902
Capital outlay	723,001	1,200,088	1,030,272	169,816
	<u>16,025,507</u>	<u>16,546,885</u>	<u>15,348,636</u>	<u>1,198,249</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	2,162	2,162	-
Transfers in	800,000	800,000	800,000	-
Transfers out	-	(11,799)	(11,799)	-
	<u>(617,555)</u>	<u>(85,050)</u>	<u>515,997</u>	<u>601,047</u>
Net change in fund balances				
Fund balances - Beginning	<u>3,649,543</u>	<u>3,649,543</u>	<u>3,649,543</u>	<u>-</u>
Fund balances - Ending	<u>\$ 3,031,988</u>	<u>\$ 3,564,493</u>	<u>\$ 4,165,540</u>	<u>\$ 601,047</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 515,997	
To adjust revenues for accruals			511	
To adjust expenditures for accruals			588,034	
Net change in fund balance, GAAP basis			<u>\$ 1,104,542</u>	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Public Safety LOIT Fund
 December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 8,766,330	\$ 9,703,297	\$ 9,703,297	\$ -
Investment income	10,000	30,000	33,595	3,595
Total revenues	8,776,330	9,733,297	9,736,892	3,595
Expenditures:				
Current:				
Public safety:				
Personnel services	8,950,545	8,950,545	8,950,540	5
Total expenditures	8,950,545	8,950,545	8,950,540	5
Net change in fund balances	(174,215)	782,752	786,352	3,600
Fund balances - Beginning	3,253,787	3,253,787	3,253,787	-
Fund balances - Ending	\$ 3,079,572	\$ 4,036,539	\$ 4,040,139	\$ 3,600
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 786,352	
To adjust revenues for accruals			8,160	
To adjust expenditures for accruals			16,520	
Net change in fund balance, GAAP basis			\$ 811,032	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 COIT Fund

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 12,440,774	\$ 13,764,809	\$ 13,764,809	\$ -
Investment income	100,000	100,000	111,181	11,181
Other	40,000	325,368	302,653	(22,715)
	12,580,774	14,190,177	14,178,643	(11,534)
Total revenues	12,580,774	14,190,177	14,178,643	(11,534)
Expenditures:				
Current:				
General government:				
Supplies	254,743	138,019	92,245	45,774
Other services and charges	9,150,874	8,018,246	7,062,816	955,430
Capital outlay	421,136	974,461	825,101	149,360
	9,826,753	9,130,726	7,980,162	1,150,564
Total expenditures	9,826,753	9,130,726	7,980,162	1,150,564
Other Financing Sources (Uses):				
Debt proceeds	-	2,262,160	2,262,160	-
Proceeds from sale of capital assets	-	59,271	59,271	-
Transfers out	(6,361,491)	(6,361,491)	(6,361,491)	-
	(3,607,470)	1,019,391	2,158,421	1,139,030
Net change in fund balances	(3,607,470)	1,019,391	2,158,421	1,139,030
Fund balances - Beginning	12,724,697	12,724,697	12,724,697	-
Fund balances - Ending	\$ 9,117,227	\$ 13,744,088	\$ 14,883,118	\$ 1,139,030
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,158,421	
To adjust revenues for accruals			(17,907)	
To adjust expenditures for accruals			53,298	
			2,193,812	
Net change in fund balance, GAAP basis			\$ 2,193,812	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 EDIT Fund

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 12,098,890	\$ 13,405,713	\$ 13,405,714	\$ 1
Intergovernmental	-	12,500	12,500	-
Fines and forfeitures	354,660	354,660	354,660	-
Investment income	254,322	174,322	163,880	(10,442)
Other	150,000	153,273	153,272	(1)
	<u>12,857,872</u>	<u>14,100,468</u>	<u>14,090,026</u>	<u>(10,442)</u>
Expenditures:				
Current:				
General government:				
Other services and charges	9,010,407	5,640,497	4,878,989	761,508
Capital outlay	237,185	190,786	5,000	185,786
	<u>9,247,592</u>	<u>5,831,283</u>	<u>4,883,989</u>	<u>947,294</u>
Other Financing Sources (Uses):				
Transfers out	(6,608,107)	(8,588,107)	(7,586,290)	1,001,817
	<u>(2,997,827)</u>	<u>(318,922)</u>	<u>1,619,747</u>	<u>1,938,669</u>
Fund balances - Beginning	17,389,466	17,389,466	17,389,466	-
Fund balances - Ending	<u>\$ 14,391,639</u>	<u>\$ 17,070,544</u>	<u>\$ 19,009,213</u>	<u>\$ 1,938,669</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,619,747	
To adjust revenues for accruals			(321,603)	
To adjust expenditures for accruals			257,757	
Net change in fund balance, GAAP basis			<u>\$ 1,555,901</u>	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Rainy Day Fund
 December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 132,905	\$ 132,905	\$ 94,111	\$ (38,794)
Total revenues	132,905	132,905	94,111	(38,794)
Net change in fund balances	132,905	132,905	94,111	(38,794)
Fund balances - Beginning	10,733,474	10,733,474	10,733,474	-
Fund balances - Ending	\$ 10,866,379	\$ 10,866,379	\$ 10,827,585	\$ (38,794)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 94,111	
To adjust revenues for accruals			18,562	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 112,673	

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

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>	<u>Parks and Recreation</u>	<u>Public Safety LOIT</u>	<u>COIT</u>	<u>EDIT</u>	<u>Rainy Day</u>
Net change in fund balances (budgetary basis)	\$ 7,751,721	\$ 515,997	\$ 786,352	\$ 2,158,421	\$ 1,619,747	\$ 94,111
Adjustments:						
To adjust revenues for accruals	6,771,081	511	8,160	(17,907)	(321,603)	18,562
To adjust expenditures for accruals	<u>(6,796,386)</u>	<u>588,034</u>	<u>16,520</u>	<u>53,298</u>	<u>257,757</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ 7,726,416</u>	<u>\$ 1,104,542</u>	<u>\$ 811,032</u>	<u>\$ 2,193,812</u>	<u>\$ 1,555,901</u>	<u>\$ 112,673</u>

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 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

Note 1 – Budgets and Budgetary Accounting (Continued)

Nonmajor governmental funds:

- *Special Revenue Funds* - Motor Vehicle Highway, Studebaker Oliver Revitalization Grants, Economic Development State Grants, DCI Operating, DCI Federal Grants, Police State Seizure, Gift Donation Bequest, Police Curfew Violation, Unsafe Building, Law Enforcement Continuing Education, Rental Units Regulation, Loss Recovery, Code Enforcement, Local Road and Street, LOIT 2016 Special Distribution, Human Rights Federal Grants, Local Road and Bridge Grant, MVH Restricted, Morris and Palais Marketing, Morris PAC Self Promoted Events, Police Block Grants, Hazmat, Indiana River Rescue, Regional Police Academy, COPS MORE Grant, Federal Drug Enforcement, Urban Development Action Grant, Leaf Collection and Removal, Police K-9 Unit, Morris/Palais Box Office, City Cemetery, Bowman Cemetery, Industrial Revolving Fund.
 - *Debt Service Funds* - 2017 Park Bond Debt Service, College Football Hall of Fame Debt Service, Redevelopment Bond Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond Palais Royale, Fire Station #9 Debt Service, 2018 TIF Park Bond Debt Service Reserve, Century Center Energy Conservation Debt Service, Redevelopment Authority Debt Service, South Bend Building Corporation Debt Service, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service
 - *Capital Projects Funds* – 2019 South Shore Double Tracking Bond Capital, Professional Sports Development, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Morris Performing Arts Center Capital, Redevelopment Retail Area (Leighton Plaza), Redevelopment General, TIF – West Washington, TIF - River East Development, TIF - Southside Development Area No. 1, TIF - Douglas Road, TIF - River East Residential, Certified Technology Park, Palais Royale Historic Preservation, Airport Urban Enterprise Zone, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2018 Zoo Bond Capital, 2017 Park Bond Capital, Equipment Vehicle Leasing, 2015 Park Bond Capital, 2015 Smart Streets Bond Capital, 2017 Eddy St. Commons Bond 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 \$68,190,937 in 2019 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 Redevelopment Authority Debt Service Fund and the Equipment Vehicle Leasing Fund. In 2019, these two funds had small expenditure variances that resulted in slightly higher-than-expected expenditures.

Other Supplemental Information

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.
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 (DCI). Financing will be provided by revenues received from charges for services, other revenue sources, and from fund transfers.
DCI Federal 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.
Gift Donation Bequest	To account for donations, gifts, or bequeaths for purposes designated by the donor.
Police Curfew Violation	To account for monies received from penalties paid for curfew violations. Expenditures include Drug Abuse Resistance Education and Juvenile Aid Bureau.
Unsafe Building	To receive fines and fees related to Indiana's Unsafe Building law and account for the expenses incurred for board-ups, demolitions, ordinance violation abatements, and other related services.
Law Enforcement Continuing Education	To account for police fees collected to finance police officers' continuing education, training, and supplies and equipment.
Rental Units Regulation	To account for the revenues and expenditures related to the Landlord Registration and the Rental Safety Verification Program (RSVP) ordinances enacted by the Common Council.
Loss Recovery	To account for compensatory or exemplary damage payments from third parties arising from loss or damage to City tangible or intangible property.
Code Enforcement	To account for the activity of the Department of Code Enforcement including Neighborhood Code Enforcement and the South Bend Animal Resource Center.
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.
LOIT 2016 Special Distribution	To account for a one-time, special distribution of local income taxes from the State of Indiana for the purpose of infrastructure expenditures.
Human Rights Federal Grants	To account for expenditures to prevent discrimination and to promote human rights. Financing is provided by federal grants.
COVID-19 Response	To account for expenditures related to the City's response to the COVID-19 pandemic, including public safety and economic development activity, as well as related grants dedicated to fund these efforts.

Local Road & Bridge Grant	To account for the receipt of the Community Crossings grant and matching revenue and for the payment of expenditures on eligible projects.
MVH Restricted	To account for preventive maintenance of the City's streets. Allowable costs related to preventive maintenance is defined by the state. Financing is provided by state motor vehicle highway distributions.
Morris and Palais Marketing	To account for marketing and promotion expenditures financed by sponsorship solicitations and donations.
Morris PAC Self-Promoted Events	To account for earnings on self-promoted events.
Police Block Grants	To account for federal grants which provide financing for police activities.
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.
Police Grants	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 grant which provides financing for police activities. The Community-Oriented Policing Services (COPS) Office of the Department of Justice offers grants through the Making Officer Redeployment Effective (MORE) program.
Federal Drug Enforcement	To account for expenditures for drug enforcement. Financing is provided by distributions from the authorized federal agencies' confiscated property sale.
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.
Morris/Palais Box Office	To account for Morris Performing Arts Center and Palais Royale event advance deposits and related expenses
City Cemetery	To account for expenditures specifically for the City Cemetery. Funding is provided by the sale of cemetery plots and burial expenses.
Bowman Cemetery	To account for the expenditures the City incurs in maintaining the Bowman Cemetery.
Industrial Revolving Fund	To report and administer loan funds for small businesses that is governed by a separate Board of Directors which contracts with the City's Community Investment Department for administration services.
Urban Enterprise Association	<i>Blended Component Unit:</i> Accounts for activities from the UEA, which runs a variety of economic development projects for the City.
VPA Foundation	<i>Blended Component Unit:</i> Accounts for donations for the City's department of Venues Parks & Arts.

DEBT SERVICE FUNDS

2017 Park Bond Debt Service	This fund is used to collect a separate property tax levy and is used to pay for the semi-annual payment of debt service principal and interest to the bondholders of the 2017 Park District Bonds, Series A-K.
2003 Redevelopment Bond Airport Taxable	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the airport taxable project.
2003 Redevelopment Bond Palais Royale	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the Palais Royale project.
2018 Fire Station #9 Bond Debt Service	To accumulate monies received as debt service payments from the City and pass them through to trustee banks and bondholders.
2018 TIF Park Bond Debt Service Reserve	To account for assets held to satisfy bond covenant requirements.
2019 South Shore Double Tracking Bond Debt Service	To accumulate monies received as debt service payments from the City and pass them through to trustee banks and bondholders.
2020 TIF Library Bond Debt Service Reserve	To account for assets held to satisfy bond covenant requirements.
Century Center Energy Conservation Debt Service	To account for debt retirement of a 2015 qualified energy conservation bond for improvements at Century Center. Funding is provided by hotel/motel tax revenue, interest rebates, and transfers from other City funds.
Redevelopment Authority Debt Service	To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of a parking garage facility, bonds issued for central development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued to refinance bonds issued for construction of Century Center improvements, and bonds issued to refinance bonds issued for renovations to the Morris Performing Art Center.
South Bend Building Corporation Debt Service	To accumulate monies received as debt service payments from the City and pass them through to trustee banks and bondholders.
2015 Smart Streets Bond Debt Service	To accumulate monies as a reserve for the payment of Smart Streets Bonds related to the conversion of one-way to two-way streets.
2015 Park Bond Debt Service	To accumulate monies as a reserve for the payment of the 2015 Parks & Recreation Bond debt service payments.
2017 Eddy St. Commons Bond Debt Service	To accumulate monies as a reserve for the payment of the 2017 Eddy Street Commons Phase II Bond debt service payments.

CAPITAL PROJECTS FUNDS

Fire Department Capital	To purchase capital assets for the City's Fire Department, including vehicles (such as fire trucks and ambulances) and capital improvements to Fire Stations.
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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.
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.
Major Moves	To account for state distributions used for road construction and other uses authorized by Indiana statute.
Morris Performing Arts 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.
Redevelopment General	To account for eligible redevelopment initiatives designed to improve educational opportunities and address poverty and unemployment in the City. Financing is provided by an annual payment in lieu of taxes from the Pokagon Band of Potawatomi Indians and a small receipt of local income tax.
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.
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.
TIF – Southside Development Area No. 1	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.
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.
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 I.C. 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 two percent fee charged for all Palais Royale services.

Airport Urban Enterprise Zone	To account expenditures for improvements in the Zone area, financed by property taxes on qualifying properties in the Zone.
2018 Fire Station #9 Bond Capital	To account for the expenditures of bond funds relating to the General Obligation Bonds, Series 2018 to be used for the construction of the new Fire Station #9 and additional classroom for the Fire Training Center.
2018 TIF Park Bond Capital	To account for the expenditures of bond funds relating to the Redevelopment District Bonds, Series 2018 to be used for planned capital projects to improve the parks.
2018 Zoo Bond Capital	To account for the expenditures of bond funds relating to the Economic Development Revenue Bonds, Series 2018 to be used for the construction, expansion, renovation, equipping, furnishing and improvement of the Potawatomi Zoo.
2017 Park Bond Capital	To account for the expenditures of bond funds relating to the Park District Bonds, Series 2017 A-K to be used for planned capital projects to improve the parks.
Equipment Vehicle Leasing	To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.
2017 Eddy St. Commons Bond Capital	To account for the expenditures of the bond proceeds from to be spent on Phase II of the mixed-use development near the University of Notre Dame.

	Special Revenue Funds						
	Motor Vehicle Highway	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating	DCI Federal Grants	Police State Seizure	Gift Donation Bequest
Assets							
Cash and cash equivalents	\$ 3,305,399	\$ 249,472	\$ 8,877	\$ 540,491	\$ 313,907	\$ 69,819	\$ 320,851
Investments	3,331,735	515,541	18,344	1,100,514	-	144,282	663,048
Receivables:							
Accounts	16,156	-	-	-	-	-	-
Interest	4,443	687	24	1,467	-	192	884
Loans	-	-	35,605	-	177,980	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	1	-	-	2,288,072	-	-
Total assets	\$ 6,657,733	\$ 765,701	\$ 62,850	\$ 1,642,472	\$ 2,779,959	\$ 214,293	\$ 984,783
Liabilities							
Accounts payable	\$ 233,253	\$ 8,308	\$ -	\$ 16,838	\$ 50,882	\$ -	\$ 30,194
Due to other funds	699	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	143,083	-	-	62,594	-	-	-
Taxes payable	17,030	-	-	7,450	-	-	-
Other current payables	-	-	-	-	1,529	-	-
Customer deposits	400	-	-	-	-	-	-
Total liabilities	394,465	8,308	-	86,882	52,411	-	30,194
Fund balances							
Nonspendable	-	1	-	-	2,288,072	-	-
Restricted	6,263,268	757,392	62,850	-	439,476	214,293	954,589
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	1,555,590	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	6,263,268	757,393	62,850	1,555,590	2,727,548	214,293	954,589
Total liabilities and fund balances	\$ 6,657,733	\$ 765,701	\$ 62,850	\$ 1,642,472	\$ 2,779,959	\$ 214,293	\$ 984,783

	Special Revenue Funds						
	Police Curfew Violation	Unsafe Building	Law Enforcement Continuing Education	Rental Units Regulation	Loss Recovery Fund	Code Enforcement	Local Road and Street
Assets							
Cash and cash equivalents	\$ 4,511	\$ 272,299	\$ 158,079	\$ 62,359	\$ 157,315	\$ 323,503	\$ 1,187,639
Investments	9,322	562,714	326,675	127,745	325,097	488,106	2,454,293
Receivables:							
Accounts	-	-	2,500	-	-	-	-
Interest	13	750	436	171	434	676	3,273
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 13,846	\$ 835,763	\$ 487,690	\$ 190,275	\$ 482,846	\$ 812,285	\$ 3,645,205
Liabilities							
Accounts payable	\$ -	\$ 1,210	\$ 37,358	\$ -	\$ -	\$ 11,484	\$ 161,886
Due to other funds	-	-	-	-	-	1,508	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	4,500	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	4,565	-	52,401	-
Taxes payable	-	-	-	543	-	6,237	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	-	5,710	37,358	5,108	-	71,630	161,886
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	450,332	-	-	-	3,483,319
Committed	13,846	830,053	-	185,167	482,846	740,655	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	13,846	830,053	450,332	185,167	482,846	740,655	3,483,319
Total liabilities and fund balances	\$ 13,846	\$ 835,763	\$ 487,690	\$ 190,275	\$ 482,846	\$ 812,285	\$ 3,645,205

	Special Revenue Funds						
	LOIT 2016 Special Distribution	Human Rights Federal Grants	COVID-19 Response	Local Road and Bridge Grant	MVH Restricted	Morris and Palais Marketing	Morris PAC Self-Promoted Events
Assets							
Cash and cash equivalents	\$ 87,151	\$ 159,198	\$ 53,214	\$ 454,898	\$ 368,202	\$ 25,016	\$ 73,697
Investments	180,101	328,438	-	940,061	760,900	51,696	152,296
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	240	438	-	1,253	1,015	69	203
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 267,492	\$ 488,074	\$ 53,214	\$ 1,396,212	\$ 1,130,117	\$ 76,781	\$ 226,196
Liabilities							
Accounts payable	\$ -	\$ 32,800	\$ 264,064	\$ 821,454	\$ 32,034	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	2,236	-	-	-	-	-
Taxes payable	-	266	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	-	35,302	264,064	821,454	32,034	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	267,492	452,772	(210,850)	574,758	1,098,083	-	-
Committed	-	-	-	-	-	76,781	226,196
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	267,492	452,772	(210,850)	574,758	1,098,083	76,781	226,196
Total liabilities and fund balances	\$ 267,492	\$ 488,074	\$ 53,214	\$ 1,396,212	\$ 1,130,117	\$ 76,781	\$ 226,196

Special Revenue Funds

	Police Block Grants	Hazmat	Indiana River Rescue	Police Grants	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement
Assets							
Cash and cash equivalents	\$ 1,353	\$ 9,133	\$ 108,013	\$ 26,716	\$ 41,253	\$ 24,087	\$ 83,275
Investments	2,795	18,874	223,213	-	85,044	49,570	-
Receivables:							
Accounts	-	-	1,300	-	-	-	-
Interest	4	25	298	-	114	66	-
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 4,152	\$ 28,032	\$ 332,824	\$ 26,716	\$ 126,411	\$ 73,723	\$ 83,275
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,152	-	-	26,716	-	73,723	83,275
Committed	-	28,032	332,824	-	126,411	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	4,152	28,032	332,824	26,716	126,411	73,723	83,275
Total liabilities and fund balances	\$ 4,152	\$ 28,032	\$ 332,824	\$ 26,716	\$ 126,411	\$ 73,723	\$ 83,275

	Special Revenue Funds						
	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Morris/Palais Box Office	City Cemetery	Bowman Cemetery	Industrial Revolving Fund
Assets							
Cash and cash equivalents	\$ 10,701	\$ 139,237	\$ 791	\$ 393,326	\$ 9,821	\$ 154,491	\$ 2,406,914
Investments	22,114	287,737	1,635	-	20,295	319,262	-
Receivables:							
Accounts	-	43,476	-	-	-	-	-
Interest	29	384	2	-	27	426	-
Loans	403,855	-	-	-	-	-	4,838,386
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	76,300
Total assets	\$ 436,699	\$ 470,834	\$ 2,428	\$ 393,326	\$ 30,143	\$ 474,179	\$ 7,321,600
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,858
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	380,253	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	393,326	-	-	-
Total liabilities	380,253	-	-	393,326	-	-	7,858
Fund balances							
Nonspendable	-	-	-	-	-	-	76,300
Restricted	56,446	-	-	-	30,143	474,179	7,237,442
Committed	-	-	-	-	-	-	-
Assigned	-	470,834	2,428	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	56,446	470,834	2,428	-	30,143	474,179	7,313,742
Total liabilities and fund balances	\$ 436,699	\$ 470,834	\$ 2,428	\$ 393,326	\$ 30,143	\$ 474,179	\$ 7,321,600

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	Special Revenue Funds			Debt Service Funds			
	Urban Enterprise Association	VPA Foundation	Total Special Revenue Funds	2017 Park Bond Debt Service	2003 Redevelopment Bond - Airport Taxable	2003 Redevelopment Bond - Palais Royale	2018 Fire Station #9 Bond Debt Service
Assets							
Cash and cash equivalents	\$ 647,131	\$ 584,189	\$ 12,836,328	\$ 61,322	\$ 339,204	\$ 567,098	\$ -
Investments	1,143,504	-	14,654,951	126,723	702,913	1,175,163	-
Receivables:							
Accounts	3,599	-	67,031	-	-	-	-
Interest	-	-	18,043	169	937	1,567	-
Loans	-	-	5,455,826	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	2,364,373	-	-	-	-
Total assets	\$ 1,794,234	\$ 584,189	\$ 35,396,552	\$ 188,214	\$ 1,043,054	\$ 1,743,828	\$ -
Liabilities							
Accounts payable	\$ 29,260	\$ -	\$ 1,738,883	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	2,207	-	-	-	-
Advances from other funds	-	-	380,253	-	-	-	-
Performance deposits payable	-	-	4,500	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	264,879	-	-	-	-
Taxes payable	-	-	31,526	-	-	-	-
Other current payables	-	-	1,529	-	-	-	-
Customer deposits	14,725	-	408,451	-	-	-	-
Total liabilities	43,985	-	2,832,228	-	-	-	-
Fund balances							
Nonspendable	-	-	2,364,373	-	-	-	-
Restricted	1,750,249	584,189	25,128,288	188,214	1,043,054	1,743,828	-
Committed	-	-	3,042,811	-	-	-	-
Assigned	-	-	2,028,852	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	1,750,249	584,189	32,564,324	188,214	1,043,054	1,743,828	-
Total liabilities and fund balances	\$ 1,794,234	\$ 584,189	\$ 35,396,552	\$ 188,214	\$ 1,043,054	\$ 1,743,828	\$ -

	Debt Service Funds						
	2018 TIF Park Bond Debt Service Reserve	2019 South Shore Double Tracking Bond Debt Service	2020 TIF Library Bond Debt Service Reserve	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	2015 Smart Streets Bond Debt Service
Assets							
Cash and cash equivalents	\$ 336,612	\$ 690	\$ 326,939	\$ 97,230	\$ 232,423	\$ 755,550	\$ 1,739,076
Investments	695,618	-	-	96,832	-	-	-
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	928	-	-	129	-	-	-
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 1,033,158</u>	<u>\$ 690</u>	<u>\$ 326,939</u>	<u>\$ 194,191</u>	<u>\$ 232,423</u>	<u>\$ 755,550</u>	<u>\$ 1,739,076</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,033,158	690	326,939	194,191	232,423	755,550	1,739,076
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,033,158</u>	<u>690</u>	<u>326,939</u>	<u>194,191</u>	<u>232,423</u>	<u>755,550</u>	<u>1,739,076</u>
Total liabilities and fund balances	<u>\$ 1,033,158</u>	<u>\$ 690</u>	<u>\$ 326,939</u>	<u>\$ 194,191</u>	<u>\$ 232,423</u>	<u>\$ 755,550</u>	<u>\$ 1,739,076</u>

December 31, 2020

	Debt Service Funds			Capital Projects Funds			
	2015 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service	Total Debt Service Funds	Fire Department Capital	Coveleski Stadium Capital	Cumulative Capital Development	Cumulative Capital Improvement
Assets							
Cash and cash equivalents	\$ 586,111	\$ 3,463,323	\$ 8,505,578	\$ 2,134,465	\$ 3,820	\$ 55,540	\$ 221,255
Investments	-	-	2,797,249	980,446	7,894	114,776	457,230
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	-	-	3,730	1,307	11	153	609
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 586,111	\$ 3,463,323	\$ 11,306,557	\$ 3,116,218	\$ 11,725	\$ 170,469	\$ 679,094
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 99,330	\$ 746	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	-	-	-	99,330	746	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	586,111	3,463,323	11,306,557	3,016,888	-	170,469	679,094
Committed	-	-	-	-	10,979	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	586,111	3,463,323	11,306,557	3,016,888	10,979	170,469	679,094
Total liabilities and fund balances	\$ 586,111	\$ 3,463,323	\$ 11,306,557	\$ 3,116,218	\$ 11,725	\$ 170,469	\$ 679,094

	Capital Projects Funds						
	Major Moves	Morris Performing Arts Center Capital	Redevelopment General	TIF - West Washington	TIF - River East Development	TIF - Southside Development Area No. 1	TIF - Douglas Road
Assets							
Cash and cash equivalents	\$ 453,245	\$ 66,395	\$ 799,209	\$ 368,527	\$ 1,917,113	\$ 4,114,579	\$ 30,449
Investments	936,644	137,208	1,651,590	761,573	3,961,772	8,502,905	62,923
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	1,249	183	2,202	1,016	5,283	11,338	83
Loans	-	-	-	-	-	-	-
Advances to other funds	1,979,519	-	-	-	-	-	-
Property held for resale	-	-	2,214	436,000	12,950	-	-
Total assets	\$ 3,370,657	\$ 203,786	\$ 2,455,215	\$ 1,567,116	\$ 5,897,118	\$ 12,628,822	\$ 93,455
Liabilities							
Accounts payable	\$ 1,717	\$ -	\$ 23,995	\$ -	\$ 310,444	\$ 106,155	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	7,000	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	1,717	-	23,995	-	317,444	106,155	-
Fund balances							
Nonspendable	1,979,519	-	2,214	436,000	12,950	-	-
Restricted	1,389,421	-	-	1,131,116	5,566,724	12,522,667	93,455
Committed	-	203,786	2,429,006	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	3,368,940	203,786	2,431,220	1,567,116	5,579,674	12,522,667	93,455
Total liabilities and fund balances	\$ 3,370,657	\$ 203,786	\$ 2,455,215	\$ 1,567,116	\$ 5,897,118	\$ 12,628,822	\$ 93,455

	Capital Projects Funds						
	TIF - River East Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	2018 Fire Station #9 Bond Capital	2018 TIF Park Bond Capital	2018 Zoo Bond Capital
Assets							
Cash and cash equivalents	\$ 1,529,411	\$ 3,622	\$ 26,451	\$ 133,375	\$ 102,727	\$ 854,705	\$ -
Investments	3,160,576	7,485	54,661	275,624	212,288	1,766,275	-
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	4,214	10	73	367	283	2,355	-
Loans	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	\$ 4,694,201	\$ 11,117	\$ 81,185	\$ 409,366	\$ 315,298	\$ 2,623,335	\$ -
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,925	\$ -
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	1,979,519	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-
Accrued liabilities and other:							
Accrued payroll payable	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-
Total liabilities	1,979,519	-	-	-	-	234,925	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,714,682	11,117	-	-	315,298	2,388,410	-
Committed	-	-	81,185	409,366	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	2,714,682	11,117	81,185	409,366	315,298	2,388,410	-
Total liabilities and fund balances	\$ 4,694,201	\$ 11,117	\$ 81,185	\$ 409,366	\$ 315,298	\$ 2,623,335	\$ -

	Capital Projects Funds				
	2017 Park Bond Capital	Equipment Vehicle Leasing	2017 Eddy St. Commons Bond Capital	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,937,328	\$ 347,680	\$ 25,762	\$ 15,125,658	\$ 36,467,564
Investments	4,003,550	-	-	27,055,420	44,507,620
Receivables:					
Accounts	-	-	-	-	67,031
Interest	5,338	-	-	36,074	57,847
Loans	-	-	-	-	5,455,826
Advances to other funds	-	-	-	1,979,519	1,979,519
Property held for resale	-	-	-	451,164	2,815,537
Total assets	<u>\$ 5,946,216</u>	<u>\$ 347,680</u>	<u>\$ 25,762</u>	<u>\$ 44,647,835</u>	<u>\$ 91,350,944</u>
Liabilities					
Accounts payable	\$ 274,587	\$ -	\$ -	\$ 1,051,899	\$ 2,790,782
Due to other funds	-	-	-	-	2,207
Advances from other funds	-	-	-	1,979,519	2,359,772
Performance deposits payable	-	-	-	7,000	11,500
Accrued liabilities and other:					
Accrued payroll payable	-	-	-	-	264,879
Taxes payable	-	-	-	-	31,526
Other current payables	-	-	25,564	25,564	27,093
Customer deposits	-	-	-	-	408,451
Total liabilities	<u>274,587</u>	<u>-</u>	<u>25,564</u>	<u>3,063,982</u>	<u>5,896,210</u>
Fund balances					
Nonspendable	-	-	-	2,430,683	4,795,056
Restricted	5,671,629	347,680	198	36,018,848	72,453,693
Committed	-	-	-	3,134,322	6,177,133
Assigned	-	-	-	-	2,028,852
Unassigned	-	-	-	-	-
Total fund balances	<u>5,671,629</u>	<u>347,680</u>	<u>198</u>	<u>41,583,853</u>	<u>85,454,734</u>
Total liabilities and fund balances	<u>\$ 5,946,216</u>	<u>\$ 347,680</u>	<u>\$ 25,762</u>	<u>\$ 44,647,835</u>	<u>\$ 91,350,944</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue Funds							
	Motor Vehicle Highway	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating	DCI Federal Grants	Police State Seizure	Gift Donation Bequest	Police Curfew Violation
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	300	-	-	-	-	-	-	-
Intergovernmental	2,916,809	-	-	10,650	2,269,043	-	-	-
Charges for services	275,161	-	-	853,667	-	-	-	-
Fines and forfeitures	-	-	-	46,076	121	-	-	768
Investment income	49,479	8,045	658	13,400	-	2,214	11,298	140
Other	199,244	-	2,379	176,804	170,330	4,696	756,417	-
Total revenues	3,440,993	8,045	3,037	1,100,597	2,439,494	6,910	767,715	908
Expenditures								
Current:								
General government	-	-	-	-	-	-	414,916	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	7,780,107	-	-	-	-	-	56,258	-
Community and economic development	-	249,570	51,470	2,698,676	2,298,215	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	-	-	-	31,753	-	-
Highways and streets	102,840	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	590,097	-	69,632	-	-	-	-	-
Interest on long-term debt	28,674	-	2,379	-	-	-	-	-
Total expenditures	8,501,718	249,570	123,481	2,698,676	2,298,215	31,753	471,174	-
Excess of revenues (under) over expenditures	(5,060,725)	(241,525)	(120,444)	(1,598,079)	141,279	(24,843)	296,541	908
Other financing sources (uses)								
Issuance of debt	1,778,948	-	-	-	-	-	-	-
Proceeds from sale of capital assets	5,980	-	-	-	-	-	-	-
Transfers in	4,937,750	-	-	2,268,899	-	-	-	-
Transfers out	-	-	-	(35,000)	-	-	-	-
Total other financing sources (uses)	6,722,678	-	-	2,233,899	-	-	-	-
Net change in fund balances	1,661,953	(241,525)	(120,444)	635,820	141,279	(24,843)	296,541	908
Fund balances as previously reported	4,601,315	998,918	200,379	919,770	2,586,269	239,136	658,048	12,938
Restatement	-	-	(17,085)	-	-	-	-	-
Fund balances - Beginning of year as restated	4,601,315	998,918	183,294	919,770	2,586,269	239,136	658,048	12,938
Fund balances - End of year	\$ 6,263,268	\$ 757,393	\$ 62,850	\$ 1,555,590	\$ 2,727,548	\$ 214,293	\$ 954,589	\$ 13,846

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Special Revenue Funds							
	Unsafe Building	Law Enforcement Continuing Education	Rental Units Regulation	Loss Recovery Fund	Code Enforcement	Local Road and Street	LOIT 2016 Special Distribution	Human Rights Federal Grants
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	30,375	-	-	-
Intergovernmental	-	-	-	-	-	1,882,699	144,097	166,100
Charges for services	-	142,913	-	-	43,140	-	-	8,500
Fines and forfeitures	50,991	77,817	106,450	-	353,224	-	-	-
Investment income	8,952	4,788	1,185	5,680	4,995	48,511	1,865	2,406
Other	18	9,456	-	-	84,871	18,969	-	-
Total revenues	<u>59,961</u>	<u>234,974</u>	<u>107,635</u>	<u>5,680</u>	<u>516,605</u>	<u>1,950,179</u>	<u>145,962</u>	<u>177,006</u>
Expenditures								
Current:								
General government	128,362	-	181,461	130,371	3,350,905	-	-	241,277
Public safety	-	193,492	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	1,008,703	2,507	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	1,663,624	10,053	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	89,252	-	-	-
Interest on long-term debt	-	-	-	-	5,408	-	-	-
Total expenditures	<u>128,362</u>	<u>193,492</u>	<u>181,461</u>	<u>130,371</u>	<u>3,445,565</u>	<u>2,672,327</u>	<u>12,560</u>	<u>241,277</u>
Excess of revenues (under) over expenditures	<u>(68,401)</u>	<u>41,482</u>	<u>(73,826)</u>	<u>(124,691)</u>	<u>(2,928,960)</u>	<u>(722,148)</u>	<u>133,402</u>	<u>(64,271)</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	80,000	-	-	-
Proceeds from sale of capital assets	-	-	-	-	7,452	-	-	-
Transfers in	-	-	245,626	-	3,619,593	-	-	-
Transfers out	-	-	-	-	(3,367)	(1,000,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>245,626</u>	<u>-</u>	<u>3,703,678</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(68,401)	41,482	171,800	(124,691)	774,718	(1,722,148)	133,402	(64,271)
Fund balances as previously reported	898,454	408,850	13,367	607,537	(57,852)	5,205,467	134,090	517,043
Restatement	-	-	-	-	23,789	-	-	-
Fund balances - Beginning of year as restated	<u>898,454</u>	<u>408,850</u>	<u>13,367</u>	<u>607,537</u>	<u>(34,063)</u>	<u>5,205,467</u>	<u>134,090</u>	<u>517,043</u>
Fund balances - End of year	<u>\$ 830,053</u>	<u>\$ 450,332</u>	<u>\$ 185,167</u>	<u>\$ 482,846</u>	<u>\$ 740,655</u>	<u>\$ 3,483,319</u>	<u>\$ 267,492</u>	<u>\$ 452,772</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Special Revenue Funds							
	COVID-19 Response	Local Road and Bridge Grant	MVH Restricted	Morris and Palais Marketing	Morris PAC Self-Promoted Events	Police Block Grants	Hazmat	Indiana River Rescue
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	5,086,138	1,102,365	2,916,809	-	-	-	-	-
Charges for services	-	-	-	3,535	37,554	-	-	54,600
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	11,599	15,128	790	2,281	43	290	3,579
Other	-	-	-	-	-	-	-	-
Total revenues	<u>5,086,138</u>	<u>1,113,964</u>	<u>2,931,937</u>	<u>4,325</u>	<u>39,835</u>	<u>43</u>	<u>290</u>	<u>58,179</u>
Expenditures								
Current:								
General government	106,114	-	-	-	-	-	-	-
Public safety	3,461,252	-	-	-	-	-	-	19,233
Highways and streets	7,059	2,432,181	2,558,326	-	-	-	-	-
Community and economic development	2,593,218	-	-	-	-	-	-	-
Culture and recreation	85,776	-	-	832	1,100	-	-	-
Capital outlay:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	<u>6,253,419</u>	<u>2,432,181</u>	<u>2,558,326</u>	<u>832</u>	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>19,233</u>
Excess of revenues (under) over expenditures	<u>(1,167,281)</u>	<u>(1,318,217)</u>	<u>373,611</u>	<u>3,493</u>	<u>38,735</u>	<u>43</u>	<u>290</u>	<u>38,946</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	1,000,000	1,522,365	-	-	-	-	-	-
Transfers out	(43,569)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>956,431</u>	<u>1,522,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(210,850)	204,148	373,611	3,493	38,735	43	290	38,946
Fund balances as previously reported	-	370,610	724,472	73,288	187,461	4,109	27,742	293,878
Restatement	-	-	-	-	-	-	-	-
Fund balances - Beginning of year as restated	-	370,610	724,472	73,288	187,461	4,109	27,742	293,878
Fund balances - End of year	<u>\$ (210,850)</u>	<u>\$ 574,758</u>	<u>\$ 1,098,083</u>	<u>\$ 76,781</u>	<u>\$ 226,196</u>	<u>\$ 4,152</u>	<u>\$ 28,032</u>	<u>\$ 332,824</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Special Revenue Funds							
	Police Grants	Regional Police Academy	COPS MORE Grant	Federal Drug Enforcement	Urban Development Action Grant	Leaf Collection and Removal	Police K-9 Unit	Morris/Palais Box Office
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	135,194	-	-	-	-	-
Charges for services	-	8,600	-	-	-	446,136	-	-
Fines and forfeitures	-	-	6,769	-	-	-	-	-
Investment income	-	1,332	520	558	381	4,705	25	-
Other	-	-	260	-	-	-	-	-
Total revenues	<u>-</u>	<u>9,932</u>	<u>142,743</u>	<u>558</u>	<u>381</u>	<u>450,841</u>	<u>25</u>	<u>-</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	3,157	18,163	-	-	-	-	-
Highways and streets	-	-	-	-	-	110,497	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	126,491	31,000	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3,157</u>	<u>144,654</u>	<u>31,000</u>	<u>-</u>	<u>110,497</u>	<u>-</u>	<u>-</u>
Excess of revenues (under) over expenditures	<u>-</u>	<u>6,775</u>	<u>(1,911)</u>	<u>(30,442)</u>	<u>381</u>	<u>340,344</u>	<u>25</u>	<u>-</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(300,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	6,775	(1,911)	(30,442)	381	40,344	25	-
Fund balances as previously reported	26,716	119,636	75,634	113,717	56,065	430,490	2,403	-
Restatement	-	-	-	-	-	-	-	-
Fund balances - Beginning of year as restated	<u>26,716</u>	<u>119,636</u>	<u>75,634</u>	<u>113,717</u>	<u>56,065</u>	<u>430,490</u>	<u>2,403</u>	<u>-</u>
Fund balances - End of year	<u>\$ 26,716</u>	<u>\$ 126,411</u>	<u>\$ 73,723</u>	<u>\$ 83,275</u>	<u>\$ 56,446</u>	<u>\$ 470,834</u>	<u>\$ 2,428</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Special Revenue Funds					Total Special Revenue Funds	Debt Service Funds	
	City Cemetery	Bowman Cemetery	Industrial Revolving Fund	Urban Enterprise Association	VPA Foundation		2017 Park Bond Debt Service	2003 Redevelopment Bond - Airport Taxable
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,087,915	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	30,675	-	-
Intergovernmental	-	-	-	-	-	16,629,904	63,774	-
Charges for services	-	-	-	530,343	-	2,404,149	-	-
Fines and forfeitures	-	-	-	-	-	642,216	-	-
Investment income	312	4,909	-	3,439	-	213,507	392	10,831
Other	-	-	266,643	30,927	396,819	2,117,833	-	-
Total revenues	312	4,909	266,643	564,709	396,819	22,038,284	1,152,081	10,831
Expenditures								
Current:								
General government	-	-	-	-	-	4,553,406	-	-
Public safety	-	-	-	-	-	3,695,297	-	-
Highways and streets	-	-	-	-	-	13,955,638	-	-
Community and economic development	-	-	111,885	639,665	-	8,642,699	-	-
Culture and recreation	-	-	-	-	148,430	236,138	-	-
Capital outlay:								
Public safety	-	-	-	-	-	189,244	-	-
Highways and streets	-	-	-	-	-	1,776,517	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	748,981	785,000	-
Interest on long-term debt	-	-	-	-	-	36,461	387,965	-
Total expenditures	-	-	111,885	639,665	148,430	33,834,381	1,172,965	-
Excess of revenues (under) over expenditures	312	4,909	154,758	(74,956)	248,389	(11,796,097)	(20,884)	10,831
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	1,858,948	-	-
Proceeds from sale of capital assets	-	-	-	-	-	13,432	-	-
Transfers in	-	-	-	-	-	13,594,233	-	-
Transfers out	-	-	-	-	-	(1,381,936)	-	(14,246)
Total other financing sources (uses)	-	-	-	-	-	14,084,677	-	(14,246)
Net change in fund balances	312	4,909	154,758	(74,956)	248,389	2,288,580	(20,884)	(3,415)
Fund balances as previously reported	29,831	469,270	7,158,984	-	-	28,108,035	209,098	1,046,469
Restatement	-	-	-	1,825,205	335,800	2,167,709	-	-
Fund balances - Beginning of year as restated	29,831	469,270	7,158,984	1,825,205	335,800	30,275,744	209,098	1,046,469
Fund balances - End of year	\$ 30,143	\$ 474,179	\$ 7,313,742	\$ 1,750,249	\$ 584,189	\$ 32,564,324	\$ 188,214	\$ 1,043,054

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Debt Service Funds							
	2003 Redevelopment Bond - Palais Royale	2018 Fire Station #9 Bond Debt Service	2018 TIF Park Bond Debt Service Reserve	2019 South Shore Double Tracking Bond Debt Service	2020 TIF Library Bond Debt Service Reserve	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	221,437	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	18,108	-	10,697	13	1	2,803	2,351	3,271
Other	-	-	-	-	-	97,225	-	-
Total revenues	<u>18,108</u>	<u>-</u>	<u>10,697</u>	<u>13</u>	<u>1</u>	<u>321,465</u>	<u>2,351</u>	<u>3,271</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	195,000	-	270,000	-	285,614	1,790,000	2,171,280
Interest on long-term debt	-	146,231	-	247,313	-	125,482	1,073,012	375,659
Total expenditures	<u>-</u>	<u>341,231</u>	<u>-</u>	<u>517,313</u>	<u>-</u>	<u>411,096</u>	<u>2,863,012</u>	<u>2,546,939</u>
Excess of revenues (under) over expenditures	<u>18,108</u>	<u>(341,231)</u>	<u>10,697</u>	<u>(517,300)</u>	<u>1</u>	<u>(89,631)</u>	<u>(2,860,661)</u>	<u>(2,543,668)</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	341,231	-	488,171	326,938	93,939	2,870,500	2,561,914
Transfers out	(23,818)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(23,818)</u>	<u>341,231</u>	<u>-</u>	<u>488,171</u>	<u>326,938</u>	<u>93,939</u>	<u>2,870,500</u>	<u>2,561,914</u>
Net change in fund balances	(5,710)	-	10,697	(29,129)	326,939	4,308	9,839	18,246
Fund balances as previously reported	1,749,538	-	1,022,461	29,819	-	189,883	222,584	606,070
Restatement	-	-	-	-	-	-	-	131,234
Fund balances - Beginning of year as restated	<u>1,749,538</u>	<u>-</u>	<u>1,022,461</u>	<u>29,819</u>	<u>-</u>	<u>189,883</u>	<u>222,584</u>	<u>737,304</u>
Fund balances - End of year	<u>\$ 1,743,828</u>	<u>\$ -</u>	<u>\$ 1,033,158</u>	<u>\$ 690</u>	<u>\$ 326,939</u>	<u>\$ 194,191</u>	<u>\$ 232,423</u>	<u>\$ 755,550</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Debt Service Funds				Capital Projects Funds			
	2015 Smart Streets Bond Debt Service	2015 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service	Total Debt Service Funds	Fire Department Capital	Coveleski Stadium Capital	Cumulative Capital Development	Cumulative Capital Improvement
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ 1,087,915	\$ -	\$ -	\$ 433,812	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	221,437	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	63,774	-	-	40,795	219,253
Charges for services	-	-	-	-	1,939,438	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	869	806	1,623	51,765	11,093	137	1,216	6,696
Other	-	-	-	97,225	2,770	-	-	18,750
Total revenues	869	806	1,623	1,522,116	1,953,301	137	475,823	244,699
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	15,099	-	-
Capital outlay:								
Public safety	-	-	-	-	2,005,691	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	6,770
Culture and recreation	-	-	-	-	-	-	12,970	-
Debt service:								
Principal	1,000,000	225,000	145,000	6,866,894	445,903	-	536,479	-
Interest on long-term debt	712,694	156,131	1,245,625	4,470,112	31,114	-	36,706	-
Total expenditures	1,712,694	381,131	1,390,625	11,337,006	2,482,708	15,099	586,155	6,770
Excess of revenues (under) over expenditures	(1,711,825)	(380,325)	(1,389,002)	(9,814,890)	(529,407)	(14,962)	(110,332)	237,929
Other financing sources (uses)								
Issuance of debt	-	-	-	-	1,660,000	-	-	-
Proceeds from sale of capital assets	-	-	-	-	5,474	-	-	-
Transfers in	1,716,000	375,939	1,390,625	10,165,257	-	-	2,037	-
Transfers out	-	-	-	(38,064)	(746,231)	-	-	(250,000)
Total other financing sources (uses)	1,716,000	375,939	1,390,625	10,127,193	919,243	-	2,037	(250,000)
Net change in fund balances	4,175	(4,386)	1,623	312,303	389,836	(14,962)	(108,295)	(12,071)
Fund balances as previously reported	1,734,901	590,497	3,461,700	10,863,020	-	25,941	258,767	691,165
Restatement	-	-	-	131,234	2,627,052	-	19,997	-
Fund balances - Beginning of year as restated	1,734,901	590,497	3,461,700	10,994,254	2,627,052	25,941	278,764	691,165
Fund balances - End of year	\$ 1,739,076	\$ 586,111	\$ 3,463,323	\$ 11,306,557	\$ 3,016,888	\$ 10,979	\$ 170,469	\$ 679,094

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Capital Projects Funds							
	Major Moves	Morris Performing Arts Center Capital	Redevelopment General	TIF - West Washington	TIF - River East Development	TIF - Southside Development Area No. 1	TIF - Douglas Road	TIF - River East Residential
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ 237,261	\$ 2,997,091	\$ 3,081,721	\$ -	\$ 5,308,975
Income taxes	-	-	24,117	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	668	-	-	-	-	-	-	-
Charges for services	-	37,554	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	18,379	3,967	17,590	10,927	69,173	116,887	1,145	26,671
Other	83,945	-	1,449,512	-	-	-	-	-
Total revenues	<u>102,992</u>	<u>41,521</u>	<u>1,491,219</u>	<u>248,188</u>	<u>3,066,264</u>	<u>3,198,608</u>	<u>1,145</u>	<u>5,335,646</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	151,061	-	-	-	-	-	-	-
Community and economic development	-	-	633,007	54	77,680	182,750	82,093	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	641,067	-	-	-	-	-	-	-
Community and economic development	-	-	-	141,710	5,380,431	68,907	-	-
Culture and recreation	-	346,394	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	85,445
Total expenditures	<u>792,128</u>	<u>346,394</u>	<u>633,007</u>	<u>141,764</u>	<u>5,458,111</u>	<u>251,657</u>	<u>82,093</u>	<u>85,445</u>
Excess of revenues (under) over expenditures	<u>(689,136)</u>	<u>(304,873)</u>	<u>858,212</u>	<u>106,424</u>	<u>(2,391,847)</u>	<u>2,946,951</u>	<u>(80,948)</u>	<u>5,250,201</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	175,579	150,000	-	-	-	-	-
Transfers out	(522,365)	-	-	-	-	-	-	(3,864,125)
Total other financing sources (uses)	<u>(522,365)</u>	<u>175,579</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,864,125)</u>
Net change in fund balances	(1,211,501)	(129,294)	1,008,212	106,424	(2,391,847)	2,946,951	(80,948)	1,386,076
Fund balances as previously reported	4,580,441	333,080	1,423,008	1,460,692	7,971,521	9,575,716	174,403	1,328,606
Restatement	-	-	-	-	-	-	-	-
Fund balances - Beginning of year as restated	<u>4,580,441</u>	<u>333,080</u>	<u>1,423,008</u>	<u>1,460,692</u>	<u>7,971,521</u>	<u>9,575,716</u>	<u>174,403</u>	<u>1,328,606</u>
Fund balances - End of year	<u>\$ 3,368,940</u>	<u>\$ 203,786</u>	<u>\$ 2,431,220</u>	<u>\$ 1,567,116</u>	<u>\$ 5,579,674</u>	<u>\$ 12,522,667</u>	<u>\$ 93,455</u>	<u>\$ 2,714,682</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Capital Projects Funds							
	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	2018 Fire Station #9 Bond Capital	2018 TIF Park Bond Capital	2018 Zoo Bond Capital	2017 Park Bond Capital	Equipment Vehicle Leasing
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	6,477	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	115	709	4,238	3,367	30,484	293	76,859	155
Other	-	-	-	-	-	-	-	-
Total revenues	<u>115</u>	<u>7,186</u>	<u>4,238</u>	<u>3,367</u>	<u>30,484</u>	<u>293</u>	<u>76,859</u>	<u>155</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
Public safety	-	-	-	56,400	-	-	-	284
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	524,886	121,222	3,391,131	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,400</u>	<u>524,886</u>	<u>121,222</u>	<u>3,391,131</u>	<u>284</u>
Excess of revenues (under) over expenditures	<u>115</u>	<u>7,186</u>	<u>4,238</u>	<u>(53,033)</u>	<u>(494,402)</u>	<u>(120,929)</u>	<u>(3,314,272)</u>	<u>(129)</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(1,752)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,752)</u>
Net change in fund balances	115	7,186	4,238	(53,033)	(494,402)	(120,929)	(3,314,272)	(1,881)
Fund balances as previously reported	11,002	73,999	405,128	179,401	2,882,812	120,929	8,985,901	324,557
Restatement	-	-	-	188,930	-	-	-	25,004
Fund balances - Beginning of year as restated	<u>11,002</u>	<u>73,999</u>	<u>405,128</u>	<u>368,331</u>	<u>2,882,812</u>	<u>120,929</u>	<u>8,985,901</u>	<u>349,561</u>
Fund balances - End of year	<u>\$ 11,117</u>	<u>\$ 81,185</u>	<u>\$ 409,366</u>	<u>\$ 315,298</u>	<u>\$ 2,388,410</u>	<u>\$ -</u>	<u>\$ 5,671,629</u>	<u>\$ 347,680</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2020

	Capital Projects Funds		
	2017 Eddy St. Commons Bond Capital	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ -	\$ 12,058,860	\$ 13,146,775
Income taxes	-	24,117	24,117
Hotel/motel taxes	-	-	221,437
Licenses and permits	-	-	30,675
Intergovernmental	-	260,716	16,954,394
Charges for services	-	1,983,469	4,387,618
Fines and forfeitures	-	-	642,216
Investment income	306,537	706,638	971,910
Other	-	1,554,977	3,770,035
Total revenues	306,537	16,588,777	40,149,177
Expenditures			
Current:			
General government	-	-	4,553,406
Public safety	-	-	3,695,297
Highways and streets	-	151,061	14,106,699
Community and economic development	-	975,584	9,618,283
Culture and recreation	-	15,099	251,237
Capital outlay:			
Public safety	-	2,062,375	2,251,619
Highways and streets	-	641,067	2,417,584
Community and economic development	3,328,966	8,926,784	8,926,784
Culture and recreation	-	4,396,603	4,396,603
Debt service:			
Principal	-	982,382	8,598,257
Interest on long-term debt	-	153,265	4,659,838
Total expenditures	3,328,966	18,304,220	63,475,607
Excess of revenues (under) over expenditures	(3,022,429)	(1,715,443)	(23,326,430)
Other financing sources (uses)			
Issuance of debt	-	1,660,000	3,518,948
Proceeds from sale of capital assets	-	5,474	18,906
Transfers in	-	327,616	24,087,106
Transfers out	-	(5,384,473)	(6,804,473)
Total other financing sources (uses)	-	(3,391,383)	20,820,487
Net change in fund balances	(3,022,429)	(5,106,826)	(2,505,943)
Fund balances as previously reported	3,022,627	43,829,696	82,800,751
Restatement	-	2,860,983	5,159,926
Fund balances - Beginning of year as restated	3,022,627	46,690,679	87,960,677
Fund balances - End of year	\$ 198	\$ 41,583,853	\$ 85,454,734

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

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 16,411,377	\$ 16,814,400	\$ 16,814,400	\$ -
Intergovernmental	397,000	395,344	395,344	-
Investment income	580,000	230,000	199,544	(30,456)
Other	-	254,242	255,245	1,003
Total revenues	17,388,377	17,693,986	17,664,533	(29,453)
Expenditures:				
Current:				
Economic development:				
Other services and charges	7,322,242	8,053,364	6,782,703	1,270,661
Capital outlay	14,248,300	22,301,158	12,152,391	10,148,767
Total expenditures	21,570,542	30,354,522	18,935,094	11,419,428
Other Financing Sources (Uses):				
Debt proceeds	-	4,345,059	4,345,059	-
Transfers in	60,000	60,000	35,560	(24,440)
Transfers out	(4,264,294)	(5,108,546)	(5,085,022)	23,524
Net change in fund balances	(8,386,459)	(13,364,023)	(1,974,964)	11,389,059
Fund balances - Beginning	30,950,203	30,950,203	30,950,203	-
Fund balances - Ending	\$ 22,563,744	\$ 17,586,180	\$ 28,975,239	\$ 11,389,059
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,974,964)	
To adjust revenues for accruals			16,466	
To adjust expenditures for accruals			373,227	
Net change in fund balance, GAAP basis			\$ (1,585,271)	

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

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 300	\$ (2,700)
Intergovernmental	3,041,250	2,984,250	2,985,157	907
Charges for services	232,670	280,209	290,475	10,266
Investment income	28,864	40,925	39,751	(1,174)
Other	154,320	199,767	199,756	(11)
Total revenues	3,460,104	3,508,151	3,515,439	7,288
Expenditures:				
Current:				
Highways and streets:				
Personnel services	3,223,891	4,250,435	3,853,726	396,709
Supplies	1,812,474	1,664,532	1,065,253	599,279
Other services and charges	4,603,810	3,711,297	3,335,174	376,123
Capital outlay	-	102,840	102,840	-
Total expenditures	9,640,175	9,729,104	8,356,993	1,372,111
Other Financing Sources (Uses):				
Debt proceeds	-	1,778,948	1,778,948	-
Proceeds from sale of capital assets	-	5,980	5,980	-
Transfers in	4,437,750	4,937,750	4,937,750	-
Net change in fund balances	(1,742,321)	501,725	1,881,124	1,379,399
Fund balances - Beginning	4,743,203	4,743,203	4,743,203	-
Fund balances - Ending	\$ 3,000,882	\$ 5,244,928	\$ 6,624,327	\$ 1,379,399
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,881,124	
To adjust revenues for accruals			(74,446)	
To adjust expenditures for accruals			(144,725)	
Net change in fund balance, GAAP basis			\$ 1,661,953	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Studebaker Oliver Revitalization Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 20,000	\$ 20,000	\$ 7,035	\$ (12,965)
Other	100,000	100,000	100,000	-
Total revenues	120,000	120,000	107,035	(12,965)
Expenditures:				
Current:				
Economic development:				
Other services and charges	873,464	838,793	274,931	563,862
Total expenditures	873,464	838,793	274,931	563,862
Net change in fund balances	(753,464)	(718,793)	(167,896)	550,897
Fund balances - Beginning	929,415	929,415	929,415	-
Fund balances - Ending	\$ 175,951	\$ 210,622	\$ 761,519	\$ 550,897
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (167,896)	
To adjust revenues for accruals			(98,991)	
To adjust expenditures for accruals			25,362	
Net change in fund balance, GAAP basis			\$ (241,525)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Economic Development State Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 555,695	\$ -	\$ (555,695)
Investment income	3,000	3,000	712	(2,288)
Other	72,011	72,011	90,013	18,002
Total revenues	75,011	630,706	90,725	(539,981)
Expenditures:				
Current:				
Economic development:				
Other services and charges	135,474	642,658	128,362	514,296
Total expenditures	135,474	642,658	128,362	514,296
Net change in fund balances	(60,463)	(11,952)	(37,637)	(25,685)
Fund balances - Beginning	64,775	64,775	64,775	-
Fund balances - Ending	\$ 4,312	\$ 52,823	\$ 27,138	\$ (25,685)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (37,637)	
To adjust revenues for accruals			(87,688)	
To adjust expenditures for accruals			4,881	
Net change in fund balance, GAAP basis			\$ (120,444)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Economic Development State Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 464,500	\$ 10,650	\$ 10,650	\$ -
Charges for services	249,070	835,227	861,309	26,082
Fines and forfeitures	40,000	45,251	46,076	825
Investment income	15,000	9,000	8,876	(124)
Other	174,531	177,130	177,129	(1)
	<u>943,101</u>	<u>1,077,258</u>	<u>1,104,040</u>	<u>26,782</u>
Expenditures:				
Current:				
Economic development:				
Personnel services	2,454,130	2,294,130	2,098,029	196,101
Supplies	28,054	21,553	13,503	8,050
Other services and charges	1,018,494	788,631	623,407	165,224
	<u>3,500,678</u>	<u>3,104,314</u>	<u>2,734,939</u>	<u>369,375</u>
Other Financing Sources (Uses):				
Transfers in	2,288,899	2,268,899	2,268,899	-
Transfers out	-	(35,000)	(35,000)	-
	<u>(268,678)</u>	<u>206,843</u>	<u>603,000</u>	<u>396,157</u>
Net change in fund balances				
	(268,678)	206,843	603,000	396,157
Fund balances - Beginning	1,012,307	1,012,307	1,012,307	-
Fund balances - Ending	<u>\$ 743,629</u>	<u>\$ 1,219,150</u>	<u>\$ 1,615,307</u>	<u>\$ 396,157</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 603,000	
To adjust revenues for accruals			(3,443)	
To adjust expenditures for accruals			36,263	
Net change in fund balance, GAAP basis			<u>\$ 635,820</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - DCI Federal Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,711,000	\$ 7,093,322	\$ 2,392,383	\$ (4,700,939)
Fines and forfeitures	-	81	121	40
Other	203,000	217,888	186,664	(31,224)
Total revenues	2,914,000	7,311,291	2,579,168	(4,732,123)
Expenditures:				
Current:				
Economic development:				
Other services and charges	5,332,632	6,364,552	2,569,980	3,794,572
Total expenditures	5,332,632	6,364,552	2,569,980	3,794,572
Net change in fund balances	(2,418,632)	946,739	9,188	(937,551)
Fund balances - Beginning	305,248	305,248	305,248	-
Fund balances - Ending	\$ (2,113,384)	\$ 1,251,987	\$ 314,436	\$ (937,551)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 9,188	
To adjust revenues for accruals			(139,673)	
To adjust expenditures for accruals			271,764	
Net change in fund balance, GAAP basis			\$ 141,279	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police State Seizure

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 4,678	\$ (25,322)
Investment income	2,281	2,263	1,895	(368)
Other	-	18	18	-
	32,281	32,281	6,591	(25,690)
Total revenues				
Expenditures:				
Current:				
Public safety:				
Other services and charges	32,000	32,000	-	32,000
Capital outlay	45,000	46,710	31,753	14,957
	77,000	78,710	31,753	46,957
Total expenditures				
	(44,719)	(46,429)	(25,162)	21,267
Net change in fund balances				
Fund balances - Beginning	238,323	238,323	238,323	-
	238,323	238,323	238,323	-
Fund balances - Ending	\$ 193,604	\$ 191,894	\$ 213,161	\$ 21,267
 Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (25,162)	
To adjust revenues for accruals			319	
To adjust expenditures for accruals			-	
			-	
Net change in fund balance, GAAP basis			\$ (24,843)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Gift, Donation, Bequest

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,613	\$ 5,313	\$ 9,004	\$ 3,691
Other	446,743	562,150	756,449	194,299
Total revenues	451,356	567,463	765,453	197,990
Expenditures:				
Current:				
General government:				
Supplies	5,000	5,000	-	5,000
Other services and charges	686,067	531,618	453,294	78,324
Total expenditures	691,067	536,618	453,294	83,324
Net change in fund balances	(239,711)	30,845	312,159	281,314
Fund balances - Beginning	668,273	668,273	668,273	-
Fund balances - Ending	\$ 428,562	\$ 699,118	\$ 980,432	\$ 281,314
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 312,159	
To adjust revenues for accruals			2,263	
To adjust expenditures for accruals			(17,881)	
Net change in fund balance, GAAP basis			\$ 296,541	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police Curfew Violation

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200	\$ 480	\$ 768	\$ 288
Investment income	147	147	115	(32)
Total revenues	347	627	883	256
Expenditures:				
Current:				
Public safety:				
Other services and charges	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balances	(653)	(373)	883	1,256
Fund balances - Beginning	12,894	12,894	12,894	-
Fund balances - Ending	\$ 12,241	\$ 12,521	\$ 13,777	\$ 1,256
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 883	
To adjust revenues for accruals			25	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 908	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Unsafe Building

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 111,100	\$ 111,100	\$ 51,581	\$ (59,519)
Investment income	-	8,000	7,420	(580)
Other	400	400	18	(382)
Total revenues	111,500	119,500	59,019	(60,481)
Expenditures:				
Current:				
General government:				
Supplies	7,715	7,715	5,458	2,257
Other services and charges	148,680	148,375	136,294	12,081
Total expenditures	156,395	156,090	141,752	14,338
Net change in fund balances	(44,895)	(36,590)	(82,733)	(46,143)
Fund balances - Beginning	923,154	923,154	923,154	-
Fund balances - Ending	\$ 878,259	\$ 886,564	\$ 840,421	\$ (46,143)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (82,733)	
To adjust revenues for accruals			942	
To adjust expenditures for accruals			13,390	
Net change in fund balance, GAAP basis			\$ (68,401)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Law Enforcement Continuing Education

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 120,000	\$ 120,000	\$ 148,550	\$ 28,550
Fines and forfeitures	111,000	114,900	92,751	(22,149)
Investment income	2,121	4,121	3,849	(272)
Other	22,000	16,100	13,555	(2,545)
Total revenues	255,121	255,121	258,705	3,584
Expenditures:				
Current:				
Public safety:				
Supplies	201,727	199,521	62,084	137,437
Other services and charges	193,650	184,027	134,816	49,211
Total expenditures	395,377	383,548	196,900	186,648
Net change in fund balances	(140,256)	(128,427)	61,805	190,232
Fund balances - Beginning	421,276	421,276	421,276	-
Fund balances - Ending	\$ 281,020	\$ 292,849	\$ 483,081	\$ 190,232
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 61,805	
To adjust revenues for accruals			(23,731)	
To adjust expenditures for accruals			3,408	
Net change in fund balance, GAAP basis			\$ 41,482	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Rental Units Regulation

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 100,000	\$ 99,945	\$ 107,800	\$ 7,855
Investment income	200	255	573	318
Total revenues	100,200	100,200	108,373	8,173
Expenditures:				
Current:				
General government:				
Personnel services	265,866	265,866	179,177	86,689
Supplies	7,160	7,160	332	6,828
Other services and charges	72,800	45,950	3,254	42,696
Total expenditures	345,826	318,976	182,763	136,213
Other Financing Sources (Uses):				
Transfers in	245,626	245,626	245,626	-
Net change in fund balances	-	26,850	171,236	144,386
Fund balances - Beginning	17,823	17,823	17,823	-
Fund balances - Ending	\$ 17,823	\$ 44,673	\$ 189,059	\$ 144,386
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 171,236	
To adjust revenues for accruals			(739)	
To adjust expenditures for accruals			1,303	
Net change in fund balance, GAAP basis			\$ 171,800	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Loss Recovery

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,579	\$ 4,579	\$ 5,076	\$ 497
Total revenues	4,579	4,579	5,076	497
Expenditures:				
Current:				
General government:				
Other services and charges	200,000	130,370	130,370	-
Total expenditures	200,000	130,370	130,370	-
Net change in fund balances	(195,421)	(125,791)	(125,294)	497
Fund balances - Beginning	605,471	605,471	605,471	-
Fund balances - Ending	\$ 410,050	\$ 479,680	\$ 480,177	\$ 497
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (125,294)	
To adjust revenues for accruals			603	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (124,691)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Code Enforcement

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 31,200	\$ 31,200	\$ 30,425	\$ (775)
Charges for services	53,250	53,250	43,360	(9,890)
Fines and forfeitures	304,000	302,000	367,113	65,113
Investment income	-	2,000	2,492	492
Other	79,652	84,229	84,871	642
Total revenues	468,102	472,679	528,261	55,582
Expenditures:				
Current:				
General government:				
Personnel services	2,119,776	2,127,276	2,004,140	123,136
Supplies	163,700	194,364	113,969	80,395
Other services and charges	1,804,219	1,753,478	1,315,711	437,767
Total expenditures	4,087,695	4,075,118	3,433,820	641,298
Other Financing Sources (Uses):				
Debt proceeds	-	80,000	80,000	-
Proceeds from sale of capital assets	-	1,564	7,452	5,888
Transfers in	3,619,593	3,619,593	3,619,593	-
Net change in fund balances	-	98,718	801,486	702,768
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 98,718	\$ 801,486	\$ 702,768
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 801,486	
To adjust revenues for accruals			(11,655)	
To adjust expenditures for accruals			(15,113)	
Net change in fund balance, GAAP basis			\$ 774,718	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Local Road and Street

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,889,462	\$ 1,889,462	\$ 1,882,699	\$ (6,763)
Investment income	4,098	34,098	43,781	9,683
Other	-	15,860	18,968	3,108
	<u>1,893,560</u>	<u>1,939,420</u>	<u>1,945,448</u>	<u>6,028</u>
Expenditures:				
Current:				
Highways and streets:				
Supplies	278,876	8,328	4,468	3,860
Other services and charges	2,266,292	1,268,042	998,139	269,903
Capital outlay	2,242,515	1,637,345	1,552,078	85,267
	<u>4,787,683</u>	<u>2,913,715</u>	<u>2,554,685</u>	<u>359,030</u>
Other Financing Sources (Uses):				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
	<u>(3,894,123)</u>	<u>(1,974,295)</u>	<u>(1,609,237)</u>	<u>365,058</u>
Net change in fund balances				
	(3,894,123)	(1,974,295)	(1,609,237)	365,058
Fund balances - Beginning	5,233,148	5,233,148	5,233,148	-
Fund balances - Ending	<u>\$ 1,339,025</u>	<u>\$ 3,258,853</u>	<u>\$ 3,623,911</u>	<u>\$ 365,058</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,609,237)	
To adjust revenues for accruals			4,730	
To adjust expenditures for accruals			(117,641)	
Net change in fund balance, GAAP basis			<u>\$ (1,722,148)</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - LOIT 2016 Special Distribution

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 144,097	\$ 144,097	\$ -
Investment income	2,181	2,181	1,257	(924)
Total revenues	2,181	146,278	145,354	(924)
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	23,860	17,856	17,856	-
Capital outlay	140,227	36,768	31,938	4,830
Total expenditures	164,087	54,624	49,794	4,830
Net change in fund balances	(161,906)	91,654	95,560	3,906
Fund balances - Beginning	170,735	170,735	170,735	-
Fund balances - Ending	\$ 8,829	\$ 262,389	\$ 266,295	\$ 3,906
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 95,560	
To adjust revenues for accruals			608	
To adjust expenditures for accruals			37,234	
Net change in fund balance, GAAP basis			\$ 133,402	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Human Rights Federal Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 138,200	\$ 63,200	\$ 167,100	\$ 103,900
Charges for services	-	75,000	8,500	(66,500)
Investment income	5,978	5,978	1,540	(4,438)
Other	7,050	7,050	-	(7,050)
Total revenues	151,228	151,228	177,140	25,912
Expenditures:				
Current:				
General government:				
Personnel services	184,548	184,548	163,311	21,237
Supplies	2,000	2,000	1,724	276
Other services and charges	84,092	84,092	47,891	36,201
Total expenditures	270,640	270,640	212,926	57,714
Net change in fund balances	(119,412)	(119,412)	(35,786)	83,626
Fund balances - Beginning	521,051	521,051	521,051	-
Fund balances - Ending	\$ 401,639	\$ 401,639	\$ 485,265	\$ 83,626
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (35,786)	
To adjust revenues for accruals			(133)	
To adjust expenditures for accruals			(28,352)	
Net change in fund balance, GAAP basis			\$ (64,271)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - COVID-19 Response

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 7,071,462	\$ 5,086,138	\$ (1,985,324)
Total revenues	-	7,071,462	5,086,138	(1,985,324)
Expenditures:				
Current:				
General government:				
Personnel services	-	345	-	345
Supplies	-	366,535	252,665	113,870
Other services and charges	-	2,862,111	2,432,318	429,793
Total expenditures	-	3,228,991	2,684,983	544,008
Other Financing Sources (Uses):				
Transfers in	-	2,000,000	1,000,000	(1,000,000)
Transfers out	-	(3,393,060)	(3,348,292)	44,768
Net change in fund balances	-	2,449,411	52,863	(2,396,548)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 2,449,411	\$ 52,863	\$ (2,396,548)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 52,863	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			(263,713)	
Net change in fund balance, GAAP basis			\$ (210,850)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Local Road and Bridge Grant

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 1,102,365	\$ 102,365
Investment income	2,656	4,156	7,642	3,486
Total revenues	1,002,656	1,004,156	1,110,007	105,851
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	2,974,341	1,998,861	1,691,081	307,780
Total expenditures	2,974,341	1,998,861	1,691,081	307,780
Other Financing Sources (Uses):				
Transfers in	1,000,000	1,523,000	1,522,365	(635)
Net change in fund balances	(971,685)	528,295	941,291	412,996
Fund balances - Beginning	449,431	449,431	449,431	-
Fund balances - Ending	\$ (522,254)	\$ 977,726	\$ 1,390,722	\$ 412,996
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 941,291	
To adjust revenues for accruals			3,957	
To adjust expenditures for accruals			(741,100)	
Net change in fund balance, GAAP basis			\$ 204,148	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - MVH Restricted

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,041,250	\$ 2,984,250	\$ 2,985,157	\$ 907
Investment income	144	12,800	12,589	(211)
Total revenues	3,041,394	2,997,050	2,997,746	696
Expenditures:				
Current:				
Highways and streets:				
Personnel services	1,429,378	402,834	324,673	78,161
Supplies	1,187,026	1,232,882	1,165,290	67,592
Other services and charges	439,246	1,151,503	1,042,462	109,041
Total expenditures	3,055,650	2,787,219	2,532,425	254,794
Net change in fund balances	(14,256)	209,831	465,321	255,490
Fund balances - Beginning	650,402	650,402	650,402	-
Fund balances - Ending	\$ 636,146	\$ 860,233	\$ 1,115,723	\$ 255,490
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 465,321	
To adjust revenues for accruals			(65,810)	
To adjust expenditures for accruals			(25,900)	
Net change in fund balance, GAAP basis			\$ 373,611	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Morris and Palais Marketing

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 3,535	\$ (11,465)
Investment income	566	566	648	82
Total revenues	15,566	15,566	4,183	(11,383)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	30,816	20,832	832	20,000
Total expenditures	30,816	20,832	832	20,000
Net change in fund balances	(15,250)	(5,266)	3,351	8,617
Fund balances - Beginning	73,045	73,045	73,045	-
Fund balances - Ending	\$ 57,795	\$ 67,779	\$ 76,396	\$ 8,617
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,351	
To adjust revenues for accruals			142	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 3,493	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Morris PAC Self-Promotion Events

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 105,000	\$ 105,000	\$ 37,554	\$ (67,446)
Investment income	1,794	1,794	1,818	24
Total revenues	106,794	106,794	39,372	(67,422)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	115,000	115,000	1,100	113,900
Total expenditures	115,000	115,000	1,100	113,900
Net change in fund balances	(8,206)	(8,206)	38,272	46,478
Fund balances - Beginning	186,839	186,839	186,839	-
Fund balances - Ending	\$ 178,633	\$ 178,633	\$ 225,111	\$ 46,478
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 38,272	
To adjust revenues for accruals			463	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 38,735	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police Block Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 51	\$ 51	\$ 36	\$ (15)
Total revenues	51	51	36	(15)
Net change in fund balances	51	51	36	(15)
Fund balances - Beginning	4,095	4,095	4,095	-
Fund balances - Ending	\$ 4,146	\$ 4,146	\$ 4,131	\$ (15)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 36	
To adjust revenues for accruals			7	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 43	

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

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Investment income	238	238	243	5
Total revenues	10,238	10,238	243	(9,995)
Expenditures:				
Current:				
Public safety:				
Supplies	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balances	238	238	243	5
Fund balances - Beginning	27,647	27,647	27,647	-
Fund balances - Ending	\$ 27,885	\$ 27,885	\$ 27,890	\$ 5
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 243	
To adjust revenues for accruals			47	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 290	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Indiana River Rescue

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 90,000	\$ 90,000	\$ 54,600	\$ (35,400)
Investment income	2,317	2,317	2,955	638
Total revenues	92,317	92,317	57,555	(34,762)
Expenditures:				
Current:				
Public safety:				
Personnel services	5,500	5,500	-	5,500
Supplies	21,282	21,282	16,731	4,551
Other services and charges	68,300	68,300	2,949	65,351
Total expenditures	95,082	95,082	19,680	75,402
Net change in fund balances	(2,765)	(2,765)	37,875	40,640
Fund balances - Beginning	293,325	293,325	293,325	-
Fund balances - Ending	\$ 290,560	\$ 290,560	\$ 331,200	\$ 40,640
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 37,875	
To adjust revenues for accruals			624	
To adjust expenditures for accruals			447	
Net change in fund balance, GAAP basis			\$ 38,946	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police Grants

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety:				
Other services and charges	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning	26,716	26,716	26,716	-
Fund balances - Ending	\$ 26,716	\$ 26,716	\$ 26,716	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ -	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Regional Police Academy

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 9,350	\$ (10,650)
Investment income	1,240	1,240	1,106	(134)
Total revenues	21,240	21,240	10,456	(10,784)
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	214	1,286
Other services and charges	21,000	21,000	2,943	18,057
Total expenditures	22,500	22,500	3,157	19,343
Net change in fund balances	(1,260)	(1,260)	7,299	8,559
Fund balances - Beginning	118,481	118,481	118,481	-
Fund balances - Ending	\$ 117,221	\$ 117,221	\$ 125,780	\$ 8,559
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,299	
To adjust revenues for accruals			(524)	
Net change in fund balance, GAAP basis			\$ 6,775	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - COPS MORE Grant

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 364,946	\$ 180,998	\$ (183,948)
Fines and forfeitures	10,000	10,000	6,919	(3,081)
Investment income	1,265	1,265	594	(671)
Other	20,000	20,260	260	(20,000)
 Total revenues	31,265	396,471	188,771	(207,700)
 Expenditures:				
Current:				
Public safety:				
Supplies	130,317	185,020	86,905	98,115
Other services and charges	45,000	122,372	12,317	110,055
Capital outlay	59,313	186,476	185,805	671
 Total expenditures	234,630	493,868	285,027	208,841
 Net change in fund balances	(203,365)	(97,397)	(96,256)	1,141
 Fund balances - Beginning	169,439	169,439	169,439	-
 Fund balances - Ending	\$ (33,926)	\$ 72,042	\$ 73,183	\$ 1,141
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (96,256)	
To adjust revenues for accruals			(46,028)	
To adjust expenditures for accruals			140,373	
 Net change in fund balance, GAAP basis			\$ (1,911)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Federal Drug Enforcement

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Investment income	1,366	1,366	723	(643)
Total revenues	6,366	6,366	723	(5,643)
Expenditures:				
Current:				
Public safety:				
Supplies	6,000	6,000	-	6,000
Capital outlay	45,000	45,000	31,000	14,000
Total expenditures	51,000	51,000	31,000	20,000
Net change in fund balances	(44,634)	(44,634)	(30,277)	14,357
Fund balances - Beginning	113,552	113,552	113,552	-
Fund balances - Ending	\$ 68,918	\$ 68,918	\$ 83,275	\$ 14,357
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (30,277)	
To adjust revenues for accruals			(165)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (30,442)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Urban Development Action Grant

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 361	\$ (139)
Other	30,000	30,000	18,442	(11,558)
Total revenues	30,500	30,500	18,803	(11,697)
Expenditures:				
Current:				
Economic development:				
Other services and charges	40,000	40,000	40,000	-
Total expenditures	40,000	40,000	40,000	-
Net change in fund balances	(9,500)	(9,500)	(21,197)	(11,697)
Fund balances - Beginning	53,838	53,838	53,838	-
Fund balances - Ending	\$ 44,338	\$ 44,338	\$ 32,641	\$ (11,697)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (21,197)	
To adjust revenues for accruals			(18,422)	
To adjust expenditures for accruals			40,000	
Net change in fund balance, GAAP basis			\$ 381	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Leaf Collection and Removal

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 451,610	\$ 451,610	\$ 446,136	\$ (5,474)
Investment income	4,949	4,949	4,176	(773)
Total revenues	456,559	456,559	450,312	(6,247)
Expenditures:				
Current:				
Highways and streets:				
Personnel services	79,575	79,575	60,714	18,861
Supplies	5,000	5,000	4,764	236
Other services and charges	48,885	48,885	45,019	3,866
Total expenditures	133,460	133,460	110,497	22,963
Other Financing Sources (Uses):				
Transfers out	(300,000)	(300,000)	(300,000)	-
Net change in fund balances	23,099	23,099	39,815	16,716
Fund balances - Beginning	398,183	398,183	398,183	-
Fund balances - Ending	\$ 421,282	\$ 421,282	\$ 437,998	\$ 16,716
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 39,815	
To adjust revenues for accruals			529	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 40,344	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police K-9 Unit

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4	\$ 22	\$ 21	\$ (1)
Total revenues	4	22	21	(1)
Expenditures:				
Current:				
Public safety:				
Other services and charges	2,020	2,020	-	2,020
Total expenditures	2,020	2,020	-	2,020
Net change in fund balances	(2,016)	(1,998)	21	2,019
Fund balances - Beginning	2,395	2,395	2,395	-
Fund balances - Ending	\$ 379	\$ 397	\$ 2,416	\$ 2,019
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 21	
To adjust revenues for accruals			4	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 25	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - City Cemetery

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 120	\$ 220	\$ 259	\$ 39
Total revenues	120	220	259	39
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	-	20,000
Net change in fund balances	(19,880)	(19,780)	259	20,039
Fund balances - Beginning	29,730	29,730	29,730	-
Fund balances - Ending	\$ 9,850	\$ 9,950	\$ 29,989	\$ 20,039
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 259	
To adjust revenues for accruals			53	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 312	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Bowman Cemetery

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 5,791	\$ 5,791	\$ 4,082	\$ (1,709)
Total revenues	5,791	5,791	4,082	(1,709)
Net change in fund balances	5,791	5,791	4,082	(1,709)
Fund balances - Beginning	467,692	467,692	467,692	-
Fund balances - Ending	\$ 473,483	\$ 473,483	\$ 471,774	\$ (1,709)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,082	
To adjust revenues for accruals			827	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 4,909	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Industrial Revolving Fund

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 225,200	\$ 225,200	\$ 266,643	\$ 41,443
Total revenues	225,200	225,200	266,643	41,443
Expenditures:				
Current:				
Economic development:				
Other services and charges	149,000	149,000	104,026	44,974
Total expenditures	149,000	149,000	104,026	44,974
Net change in fund balances	76,200	76,200	162,617	86,417
Fund balances - Beginning	2,078,333	2,078,333	2,078,333	-
Fund balances - Ending	\$ 2,154,533	\$ 2,154,533	\$ 2,240,950	\$ 86,417
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 162,617	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			(7,859)	
Net change in fund balance, GAAP basis			\$ 154,758	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2017 Park Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 1,111,962	\$ 1,087,915	\$ 1,087,915	\$ -
Intergovernmental	42,232	63,774	63,774	-
Investment income	2,637	637	(244)	(881)
Total revenues	1,156,831	1,152,326	1,151,445	(881)
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,172,968	1,172,968	1,172,965	3
Total expenditures	1,172,968	1,172,968	1,172,965	3
Net change in fund balances	(16,137)	(20,642)	(21,520)	(878)
Fund balances - Beginning	208,740	208,740	208,740	-
Fund balances - Ending	\$ 192,603	\$ 188,098	\$ 187,220	\$ (878)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (21,520)	
To adjust revenues for accruals			636	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (20,884)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2003 Redevelopment Bond - Airport Taxable

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 20,000	\$ 20,000	\$ 9,075	\$ (10,925)
Total revenues	20,000	20,000	9,075	(10,925)
Other Financing Sources (Uses):				
Transfers out	(20,000)	(20,000)	(13,309)	6,691
Net change in fund balances	-	-	(4,234)	(4,234)
Fund balances - Beginning	1,042,908	1,042,908	1,042,908	-
Fund balances - Ending	\$ 1,042,908	\$ 1,042,908	\$ 1,038,674	\$ (4,234)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,234)	
To adjust revenues for accruals			1,756	
To adjust expenditures for accruals			(937)	
Net change in fund balance, GAAP basis			\$ (3,415)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2003 Redevelopment Bond - Palais Royale

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 40,000	\$ 40,000	\$ 15,173	\$ (24,827)
Total revenues	40,000	40,000	15,173	(24,827)
Other Financing Sources (Uses):				
Transfers out	(40,000)	(40,000)	(22,251)	17,749
Net change in fund balances	-	-	(7,078)	(7,078)
Fund balances - Beginning	1,743,584	1,743,584	1,743,584	-
Fund balances - Ending	\$ 1,743,584	\$ 1,743,584	\$ 1,736,506	\$ (7,078)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (7,078)	
To adjust revenues for accruals			2,936	
To adjust expenditures for accruals			(1,568)	
Net change in fund balance, GAAP basis			\$ (5,710)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2018 Fire Station #9 Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Debt service:				
Other services and charges	\$ 341,231	\$ 341,231	\$ 341,231	\$ -
Total expenditures	341,231	341,231	341,231	-
Other Financing Sources (Uses):				
Transfers in	341,231	341,231	341,231	-
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			-	
Net change in fund balance, GAAP basis			\$ -	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2018 TIF Park Bond Debt Service Reserve

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 12,618	\$ 12,618	\$ 8,934	\$ (3,684)
Total revenues	12,618	12,618	8,934	(3,684)
Net change in fund balances	12,618	12,618	8,934	(3,684)
Fund balances - Beginning	1,018,984	1,018,984	1,018,984	-
Fund balances - Ending	\$ 1,031,602	\$ 1,031,602	\$ 1,027,918	\$ (3,684)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,934	
To adjust revenues for accruals			1,763	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 10,697	

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

Debt Service Funds - 2019 South Shore Double Tracking Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 20	\$ 13	\$ (7)
Total revenues	-	20	13	(7)
Expenditures:				
Current:				
Debt service:				
Other services and charges	-	517,314	517,313	1
Total expenditures	-	517,314	517,313	1
Other Financing Sources (Uses):				
Transfers in	-	488,171	488,171	-
Net change in fund balances	-	(29,123)	(29,129)	(6)
Fund balances - Beginning	29,819	29,819	29,819	-
Fund balances - Ending	\$ 29,819	\$ 696	\$ 690	\$ (6)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (29,129)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (29,129)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2020 TIF Library Bond Debt Service Reserve

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
Other Financing Sources (Uses):				
Transfers in	-	326,937	326,938	1
Net change in fund balances	-	326,937	326,940	3
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 326,937	\$ 326,940	\$ 3
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 326,940	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 326,939	

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

Debt Service Funds - Century Center Energy Conservation Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 221,437	\$ 221,437	\$ 221,437	\$ -
Investment income	1,200	2,400	2,552	152
Other	95,720	95,720	97,225	1,505
Total revenues	318,357	319,557	321,214	1,657
Expenditures:				
Current:				
Debt service:				
Other services and charges	411,096	411,096	411,096	-
Total expenditures	411,096	411,096	411,096	-
Other Financing Sources (Uses):				
Transfers in	93,939	93,939	93,939	-
Net change in fund balances	1,200	2,400	4,057	1,657
Fund balances - Beginning	189,409	189,409	189,409	-
Fund balances - Ending	\$ 190,609	\$ 191,809	\$ 193,466	\$ 1,657
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,057	
To adjust revenues for accruals			251	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 4,308	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - Redevelopment Authority Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,500	\$ 4,500	\$ 2,351	\$ (2,149)
Total revenues	4,500	4,500	2,351	(2,149)
Expenditures:				
Current:				
Debt service:				
Other services and charges	2,865,613	2,865,613	2,863,013	2,600
Total expenditures	2,865,613	2,865,613	2,863,013	2,600
Other Financing Sources (Uses):				
Transfers in	2,870,500	2,870,500	2,870,500	-
Net change in fund balances	9,387	9,387	9,838	451
Fund balances - Beginning	222,584	222,584	222,584	-
Fund balances - Ending	\$ 231,971	\$ 231,971	\$ 232,422	\$ 451
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 9,838	
To adjust revenues for accruals			1	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 9,839	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - South Bend Building Corporation Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,000	\$ 4,000	\$ 3,478	\$ (522)
Total revenues	4,000	4,000	3,478	(522)
Expenditures:				
Current:				
Debt service:				
Other services and charges	2,630,085	2,630,085	2,629,968	117
Total expenditures	2,630,085	2,630,085	2,629,968	117
Other Financing Sources (Uses):				
Transfers in	2,636,586	2,645,000	2,645,000	-
Net change in fund balances	10,501	18,915	18,510	(405)
Fund balances - Beginning	815,025	815,025	815,025	-
Fund balances - Ending	\$ 825,526	\$ 833,940	\$ 833,535	\$ (405)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 18,510	
To adjust revenues for accruals			(83,294)	
To adjust expenditures for accruals			83,030	
Net change in fund balance, GAAP basis			\$ 18,246	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2015 Smart Streets Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,000	\$ 3,000	\$ 869	\$ (2,131)
Total revenues	3,000	3,000	869	(2,131)
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,713,044	1,713,044	1,712,694	350
Total expenditures	1,713,044	1,713,044	1,712,694	350
Other Financing Sources (Uses):				
Transfers in	1,716,500	1,716,500	1,716,000	(500)
Net change in fund balances	6,456	6,456	4,175	(2,281)
Fund balances - Beginning	1,734,901	1,734,901	1,734,901	-
Fund balances - Ending	\$ 1,741,357	\$ 1,741,357	\$ 1,739,076	\$ (2,281)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,175	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 4,175	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2015 Park Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 807	\$ (1,193)
Total revenues	2,000	2,000	807	(1,193)
Expenditures:				
Current:				
Debt service:				
Other services and charges	382,131	382,131	381,131	1,000
Total expenditures	382,131	382,131	381,131	1,000
Other Financing Sources (Uses):				
Transfers in	377,756	377,756	375,939	(1,817)
Net change in fund balances	(2,375)	(2,375)	(4,385)	(2,010)
Fund balances - Beginning	590,497	590,497	590,497	-
Fund balances - Ending	\$ 588,122	\$ 588,122	\$ 586,112	\$ (2,010)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,385)	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (4,386)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2017 Eddy St. Commons Bond Debt Service

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 807	\$ (1,193)
Total revenues	2,000	2,000	807	(1,193)
Expenditures:				
Current:				
Debt service:				
Other services and charges	382,131	382,131	381,131	1,000
Total expenditures	382,131	382,131	381,131	1,000
Other Financing Sources (Uses):				
Transfers in	377,756	377,756	375,939	(1,817)
Net change in fund balances	(2,375)	(2,375)	(4,385)	(2,010)
Fund balances - Beginning	590,497	590,497	590,497	-
Fund balances - Ending	\$ 588,122	\$ 588,122	\$ 586,112	\$ (2,010)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (4,385)	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (4,386)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Fire Department Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Charges for services	1,801,814	2,448,720	2,514,908	66,188
Investment income	8,303	8,303	9,151	848
Other	-	2,771	2,770	(1)
	<u>1,885,117</u>	<u>2,534,794</u>	<u>2,526,829</u>	<u>(7,965)</u>
Total revenues				
Expenditures:				
Current:				
Public safety:				
Other services and charges	769,073	766,778	375,085	391,693
Capital outlay	1,859,316	1,992,224	1,925,268	66,956
	<u>2,628,389</u>	<u>2,759,002</u>	<u>2,300,353</u>	<u>458,649</u>
Total expenditures				
Other Financing Sources (Uses):				
Debt proceeds	-	1,660,000	1,660,000	-
Proceeds from sale of capital assets	-	5,474	5,474	-
Transfers out	(743,936)	(746,231)	(746,231)	-
	<u>(1,487,208)</u>	<u>695,035</u>	<u>1,145,719</u>	<u>450,684</u>
Net change in fund balances				
Fund balances - Beginning	<u>1,962,214</u>	<u>1,962,214</u>	<u>1,962,214</u>	<u>-</u>
Fund balances - Ending	<u>\$ 475,006</u>	<u>\$ 2,657,249</u>	<u>\$ 3,107,933</u>	<u>\$ 450,684</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,145,719	
To adjust revenues for accruals			(573,527)	
To adjust expenditures for accruals			(182,356)	
Net change in fund balance, GAAP basis			<u>\$ 389,836</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Coveleski Stadium Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Investment income	162	162	144	(18)
Total revenues	30,162	30,162	144	(30,018)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	30,000	30,000	15,099	14,901
Total expenditures	30,000	30,000	15,099	14,901
Net change in fund balances	162	162	(14,955)	(15,117)
Fund balances - Beginning	25,850	25,850	25,850	-
Fund balances - Ending	\$ 26,012	\$ 26,012	\$ 10,895	\$ (15,117)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (14,955)	
To adjust revenues for accruals			(7)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (14,962)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Cumulative Capital Development

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 415,213	\$ 433,812	\$ 433,812	\$ -
Intergovernmental	10,000	40,795	40,795	-
Investment income	330	830	765	(65)
Total revenues	425,543	475,437	475,372	(65)
Expenditures:				
Current:				
General government:				
Other services and charges	587,817	587,817	516,510	71,307
Capital outlay	14,388	12,969	12,970	(1)
Total expenditures	602,205	600,786	529,480	71,306
Net change in fund balances	(176,662)	(125,349)	(54,108)	71,241
Fund balances - Beginning	223,617	223,617	223,617	-
Fund balances - Ending	\$ 46,955	\$ 98,268	\$ 169,509	\$ 71,241
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (54,108)	
To adjust revenues for accruals			2,488	
To adjust expenditures for accruals			(56,675)	
Net change in fund balance, GAAP basis			\$ (108,295)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Cumulative Capital Improvement

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 240,933	\$ 240,933	\$ 219,253	\$ (21,680)
Investment income	8,500	8,500	5,369	(3,131)
Other	-	25,000	18,750	(6,250)
Total revenues	249,433	274,433	243,372	(31,061)
Expenditures:				
Current:				
General government:				
Capital outlay	180,000	180,000	6,770	173,230
Total expenditures	180,000	180,000	6,770	173,230
Other Financing Sources (Uses):				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net change in fund balances	(180,567)	(155,567)	(13,398)	142,169
Fund balances - Beginning	689,015	689,015	689,015	-
Fund balances - Ending	\$ 508,448	\$ 533,448	\$ 675,617	\$ 142,169
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (13,398)	
To adjust revenues for accruals			1,327	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (12,071)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Major Moves

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 669	\$ 668	\$ (1)
Investment income	8,000	20,000	17,411	(2,589)
Other	493,328	493,328	493,328	-
Total revenues	501,328	513,997	511,407	(2,590)
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	739,969	545,806	153,090	392,716
Capital outlay	932,316	829,420	649,253	180,167
Total expenditures	1,672,285	1,375,226	802,343	572,883
Other Financing Sources (Uses):				
Transfers out	-	(523,000)	(522,365)	635
Net change in fund balances	(1,170,957)	(1,384,229)	(813,301)	570,928
Fund balances - Beginning	2,195,972	2,195,972	2,195,972	-
Fund balances - Ending	\$ 1,025,015	\$ 811,743	\$ 1,382,671	\$ 570,928
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (813,301)	
To adjust revenues for accruals			(408,416)	
To adjust expenditures for accruals			10,216	
Net change in fund balance, GAAP basis			\$ (1,211,501)	

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

Capital Projects Funds - Morris Performing Arts Center Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 105,000	\$ 105,000	\$ 37,554	\$ (67,446)
Investment income	3,354	3,354	3,981	627
Total revenues	108,354	108,354	41,535	(66,819)
Expenditures:				
Current:				
Culture and recreation:				
Supplies	40,000	40,000	-	40,000
Other services and charges	146,759	145,134	90,471	54,663
Capital outlay	40,000	373,224	346,394	26,830
Total expenditures	226,759	558,358	436,865	121,493
Other Financing Sources (Uses):				
Transfers in	-	175,579	175,579	-
Net change in fund balances	(118,405)	(274,425)	(219,751)	54,674
Fund balances - Beginning	422,125	422,125	422,125	-
Fund balances - Ending	\$ 303,720	\$ 147,700	\$ 202,374	\$ 54,674
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (219,751)	
To adjust revenues for accruals			(14)	
To adjust expenditures for accruals			90,471	
Net change in fund balance, GAAP basis			\$ (129,294)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Redevelopment General

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 8,775	\$ 24,117	\$ 24,117	\$ -
Investment income	15,000	15,000	11,827	(3,173)
Other	1,000,000	1,500,000	1,449,512	(50,488)
Total revenues	1,023,775	1,539,117	1,485,456	(53,661)
Expenditures:				
Current:				
Economic development:				
Other services and charges	1,419,136	1,260,339	667,979	592,360
Capital outlay	-	2,214	2,214	-
Total expenditures	1,419,136	1,262,553	670,193	592,360
Other Financing Sources (Uses):				
Transfers in	150,000	150,000	150,000	-
Net change in fund balances	(245,361)	426,564	965,263	538,699
Fund balances - Beginning	1,476,915	1,476,915	1,476,915	-
Fund balances - Ending	\$ 1,231,554	\$ 1,903,479	\$ 2,442,178	\$ 538,699
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 965,263	
To adjust revenues for accruals			5,763	
To adjust expenditures for accruals			37,186	
Net change in fund balance, GAAP basis			\$ 1,008,212	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - West Washington

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 289,982	\$ 237,262	\$ 237,261	\$ (1)
Investment income	40,000	11,000	8,861	(2,139)
Other	-	300	300	-
	<u>329,982</u>	<u>248,562</u>	<u>246,422</u>	<u>(2,140)</u>
Total revenues				
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	50,479	55	50,424
Capital outlay	742,165	704,364	152,666	551,698
	<u>742,165</u>	<u>754,843</u>	<u>152,721</u>	<u>602,122</u>
Total expenditures				
Net change in fund balances	(412,183)	(506,281)	93,701	599,982
Fund balances - Beginning	<u>1,031,822</u>	<u>1,031,822</u>	<u>1,031,822</u>	<u>-</u>
Fund balances - Ending	<u>\$ 619,639</u>	<u>\$ 525,541</u>	<u>\$ 1,125,523</u>	<u>\$ 599,982</u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 93,701	
To adjust revenues for accruals			1,767	
To adjust expenditures for accruals			<u>10,956</u>	
Net change in fund balance, GAAP basis			<u>\$ 106,424</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - River East Development

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 2,586,336	\$ 2,997,091	\$ 2,997,091	\$ -
Investment income	240,000	65,000	62,271	(2,729)
Total revenues	2,826,336	3,062,091	3,059,362	(2,729)
Expenditures:				
Current:				
Economic development:				
Other services and charges	48,400	144,399	82,784	61,615
Capital outlay	7,294,878	8,300,885	5,418,511	2,882,374
Total expenditures	7,343,278	8,445,284	5,501,295	2,943,989
Net change in fund balances	(4,516,942)	(5,383,193)	(2,441,933)	2,941,260
Fund balances - Beginning	8,215,417	8,215,417	8,215,417	-
Fund balances - Ending	\$ 3,698,475	\$ 2,832,224	\$ 5,773,484	\$ 2,941,260
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,441,933)	
To adjust revenues for accruals			6,903	
To adjust expenditures for accruals			43,183	
Net change in fund balance, GAAP basis			\$ (2,391,847)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - Southside Development Area No. 1

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 1,858,569	\$ 3,081,721	\$ 3,081,721	\$ -
Investment income	200,000	90,000	89,378	(622)
Total revenues	2,058,569	3,171,721	3,171,099	(622)
Expenditures:				
Current:				
Economic development:				
Other services and charges	131,580	583,822	140,498	443,324
Capital outlay	2,103,371	5,778,543	76,527	5,702,016
Total expenditures	2,234,951	6,362,365	217,025	6,145,340
Net change in fund balances	(176,382)	(3,190,644)	2,954,074	6,144,718
Fund balances - Beginning	9,607,799	9,607,799	9,607,799	-
Fund balances - Ending	\$ 9,431,417	\$ 6,417,155	\$ 12,561,873	\$ 6,144,718
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,954,074	
To adjust revenues for accruals			27,509	
To adjust expenditures for accruals			(34,632)	
Net change in fund balance, GAAP basis			\$ 2,946,951	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - Douglas Road

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 1,000	\$ 1,154	\$ 154
Total revenues	-	1,000	1,154	154
Expenditures:				
Current:				
Economic development:				
Other services and charges	87,225	170,318	96,143	74,175
Total expenditures	87,225	170,318	96,143	74,175
Net change in fund balances	(87,225)	(169,318)	(94,989)	74,329
Fund balances - Beginning	187,806	187,806	187,806	-
Fund balances - Ending	\$ 100,581	\$ 18,488	\$ 92,817	\$ 74,329
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (94,989)	
To adjust revenues for accruals			(9)	
To adjust expenditures for accruals			14,050	
Net change in fund balance, GAAP basis			\$ (80,948)	

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

Capital Projects Funds - TIF - River East Residential

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 5,770,197	\$ 5,308,975	\$ 5,308,975	\$ -
Investment income	40,000	17,000	15,060	(1,940)
Total revenues	5,810,197	5,325,975	5,324,035	(1,940)
Expenditures:				
Current:				
Economic development:				
Other services and charges	520,875	520,875	494,828	26,047
Total expenditures	520,875	520,875	494,828	26,047
Other Financing Sources (Uses):				
Transfers out	(3,864,125)	(3,864,125)	(3,864,125)	-
Net change in fund balances	1,425,197	940,975	965,082	24,107
Fund balances - Beginning	3,706,897	3,706,897	3,706,897	-
Fund balances - Ending	\$ 5,132,094	\$ 4,647,872	\$ 4,671,979	\$ 24,107
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 965,082	
To adjust revenues for accruals			11,611	
To adjust expenditures for accruals			409,383	
Net change in fund balance, GAAP basis			\$ 1,386,076	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Certified Technology Park

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 120	\$ 96	\$ (24)
Total revenues	-	120	96	(24)
Expenditures:				
Current:				
Economic development:				
Capital outlay	752	752	-	752
Total expenditures	752	752	-	752
Net change in fund balances	(752)	(632)	96	728
Fund balances - Beginning	10,965	10,965	10,965	-
Fund balances - Ending	\$ 10,213	\$ 10,333	\$ 11,061	\$ 728
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 96	
To adjust revenues for accruals			19	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 115	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Project Funds - Palais Royale Historical Preservation

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 6,477	\$ (8,523)
Investment income	229	700	617	(83)
Total revenues	15,229	15,700	7,094	(8,606)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	69,160	69,160	34,160	35,000
Total expenditures	69,160	69,160	34,160	35,000
Net change in fund balances	(53,931)	(53,460)	(27,066)	26,394
Fund balances - Beginning	107,792	107,792	107,792	-
Fund balances - Ending	\$ 53,861	\$ 54,332	\$ 80,726	\$ 26,394
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (27,066)	
To adjust revenues for accruals			92	
To adjust expenditures for accruals			34,160	
Net change in fund balance, GAAP basis			\$ 7,186	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Airport Urban Enterprise Zone

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 8,000	\$ 8,000	\$ 3,540	\$ (4,460)
Total revenues	8,000	8,000	3,540	(4,460)
Expenditures:				
Current:				
Economic development:				
Other services and charges	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Net change in fund balances	(42,000)	(42,000)	3,540	45,540
Fund balances - Beginning	403,750	403,750	403,750	-
Fund balances - Ending	\$ 361,750	\$ 361,750	\$ 407,290	\$ 45,540
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,540	
To adjust revenues for accruals			698	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 4,238	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2018 Fire Station #9 Bond Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,854	\$ 3,854	\$ 2,981	\$ (873)
Total revenues	3,854	3,854	2,981	(873)
Expenditures:				
Current:				
Public safety:				
Capital outlay	89,311	89,311	89,311	-
Total expenditures	89,311	89,311	89,311	-
Net change in fund balances	(85,457)	(85,457)	(86,330)	(873)
Fund balances - Beginning	399,877	399,877	399,877	-
Fund balances - Ending	\$ 314,420	\$ 314,420	\$ 313,547	\$ (873)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (86,330)	
To adjust revenues for accruals			386	
To adjust expenditures for accruals			32,911	
Net change in fund balance, GAAP basis			\$ (53,033)	

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

Capital Projects Funds - 2018 TIF Park Bond Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 35,000	\$ 28,865	\$ (6,135)
Total revenues	-	35,000	28,865	(6,135)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	358,641	104,507	86,969	17,538
Capital outlay	3,531,066	1,546,898	1,427,387	119,511
Total expenditures	3,889,707	1,651,405	1,514,356	137,049
Net change in fund balances	(3,889,707)	(1,616,405)	(1,485,491)	130,914
Fund balances - Beginning	4,085,672	4,085,672	4,085,672	-
Fund balances - Ending	\$ 195,965	\$ 2,469,267	\$ 2,600,181	\$ 130,914
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,485,491)	
To adjust revenues for accruals			1,618	
To adjust expenditures for accruals			989,471	
Net change in fund balance, GAAP basis			\$ (494,402)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2018 Zoo Bond Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 12,652	\$ 293	\$ (12,359)
Total revenues	-	12,652	293	(12,359)
Expenditures:				
Current:				
Culture and recreation:				
Capital outlay	133,581	133,581	121,222	12,359
Total expenditures	133,581	133,581	121,222	12,359
Net change in fund balances	(133,581)	(120,929)	(120,929)	-
Fund balances - Beginning	120,929	120,929	120,929	-
Fund balances - Ending	\$ (12,652)	\$ -	\$ -	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (120,929)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (120,929)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2017 Park Bond Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 85,000	\$ 72,162	\$ (12,838)
Total revenues	-	85,000	72,162	(12,838)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	6,464	-	-	-
Capital outlay	8,563,296	3,227,022	3,227,021	1
Total expenditures	8,569,760	3,227,022	3,227,021	1
Net change in fund balances	(8,569,760)	(3,142,022)	(3,154,859)	(12,837)
Fund balances - Beginning	9,062,798	9,062,798	9,062,798	-
Fund balances - Ending	\$ 493,038	\$ 5,920,776	\$ 5,907,939	\$ (12,837)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,154,859)	
To adjust revenues for accruals			4,697	
To adjust expenditures for accruals			(164,110)	
Net change in fund balance, GAAP basis			\$ (3,314,272)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Equipment Vehicle Leasing

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 680	\$ 682	\$ 2
Total revenues	-	680	682	2
Expenditures:				
Current:				
General government:				
Other services and charges	-	367,453	367,452	1
Capital outlay	4,590,138	300,279	300,278	1
Total expenditures	4,590,138	667,732	667,730	2
Other Financing Sources (Uses):				
Debt proceeds	4,329,076	-	-	-
Transfers out	-	(1,752)	(1,752)	-
Net change in fund balances	(261,062)	(668,804)	(668,800)	4
Fund balances - Beginning	1,016,476	1,016,476	1,016,476	-
Fund balances - Ending	\$ 755,414	\$ 347,672	\$ 347,676	\$ 4
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (668,800)	
To adjust revenues for accruals			(527)	
To adjust expenditures for accruals			667,446	
Net change in fund balance, GAAP basis			\$ (1,881)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Project Funds - 2017 Eddy St. Commons Bond Capital

December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 306,457	\$ 306,537	\$ 80
Total revenues	-	306,457	306,537	80
Expenditures:				
Current:				
Economic development:				
Capital outlay	3,048,122	3,328,966	3,328,966	-
Total expenditures	3,048,122	3,328,966	3,328,966	-
Net change in fund balances	(3,048,122)	(3,022,509)	(3,022,429)	80
Fund balances - Beginning	3,048,190	3,048,190	3,048,190	-
Fund balances - Ending	\$ 68	\$ 25,681	\$ 25,761	\$ 80
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,022,429)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (3,022,429)	

NONMAJOR ENTERPRISE FUNDS

Consolidated Building	To account for the operation of the consolidated St. Joseph County/ South Bend Building Department.
Parking Garage	To account for the operation and maintenance of the City's parking garages.
Solid Waste	To account for the operations of the Solid Waste department. Revenues come from charging City residents a monthly fee for pick-up and disposal of trash at area landfills and recycling centers
Emergency Medical Services	Previously used to account for the operations of Emergency Medical Services (EMS). In 2020, the accounting for these operations was moved to the General Fund. The remaining assets in this fund will be transferred to the General Fund in 2021 and this fund will be closed.

December 31, 2020

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 699,024	\$ 220,427	\$ 33,688	\$ 198,462	\$ 1,151,601
Investments	1,436,653	455,520	58,797	410,128	2,361,098
Receivables:					
Accounts	-	-	587,341	-	587,341
Interest	1,891	607	90	-	2,588
Allowance for doubtful accounts	-	-	(25,000)	-	(25,000)
Prepaid expenses	-	-	-	2,018	2,018
Total current assets	<u>2,137,568</u>	<u>676,554</u>	<u>654,916</u>	<u>610,608</u>	<u>4,079,646</u>
Noncurrent assets:					
Restricted assets	-	-	388,159	-	388,159
Capital assets:					
Assets not subject to depreciation	-	1,405,091	-	-	1,405,091
Assets subject to depreciation	<u>53,115</u>	<u>4,622,888</u>	<u>2,872,614</u>	<u>-</u>	<u>7,548,617</u>
Total noncurrent assets	<u>53,115</u>	<u>6,027,979</u>	<u>3,260,773</u>	<u>-</u>	<u>9,341,867</u>
Total assets	<u>2,190,683</u>	<u>6,704,533</u>	<u>3,915,689</u>	<u>610,608</u>	<u>13,421,513</u>
Deferred outflows of resources					
Deferred outflows related to pensions	93,254	-	115,261	-	208,515
Deferred outflows related to OPEB	<u>71,587</u>	<u>-</u>	<u>88,481</u>	<u>-</u>	<u>160,068</u>
Total deferred outflows of resources	<u>164,841</u>	<u>-</u>	<u>203,742</u>	<u>-</u>	<u>368,583</u>
Liabilities					
Current liabilities:					
Accounts payable	10,121	102,698	77,313	-	190,132
Due to other funds	-	1,438	103,922	-	105,360
Advances from other funds	-	-	250,000	-	250,000
Performance deposits payable	7,000	-	-	-	7,000
Accrued liabilities and other:					
Accrued payroll payable	27,930	-	43,989	-	71,919
Accrued interest payable	476	-	9,795	-	10,271
Taxes payable	3,324	-	5,236	-	8,560
Compensated absences	55,290	-	52,584	-	107,874
Capital leases	<u>43,020</u>	<u>-</u>	<u>843,122</u>	<u>-</u>	<u>886,142</u>
Total current liabilities	<u>147,161</u>	<u>104,136</u>	<u>1,385,961</u>	<u>-</u>	<u>1,637,258</u>
Noncurrent liabilities:					
Capital leases	28,266	-	1,218,139	-	1,246,405
Net pension liability	431,237	-	533,003	-	964,240
Total OPEB liability	<u>349,050</u>	<u>-</u>	<u>431,422</u>	<u>-</u>	<u>780,472</u>
Total noncurrent liabilities	<u>808,553</u>	<u>-</u>	<u>2,182,564</u>	<u>-</u>	<u>2,991,117</u>
Total liabilities	<u>955,714</u>	<u>104,136</u>	<u>3,568,525</u>	<u>-</u>	<u>4,628,375</u>

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)

December 31, 2020

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Deferred inflows of resources					
Deferred inflows related to pensions	97,285	-	120,242	-	217,527
Deferred inflows related to OPEB	109,357	-	135,163	-	244,520
Total deferred inflows of resources	206,642	-	255,405	-	462,047
Net position					
Net investment in capital assets	(18,171)	6,027,979	811,353	-	6,821,161
Restricted:					
Cash with fiscal agent	-	-	375,006	-	375,006
Capital outlay	-	-	13,153	-	13,153
Unrestricted	1,211,339	572,418	(904,011)	610,608	1,490,354
Total net position	\$ 1,193,168	\$ 6,600,397	\$ 295,501	\$ 610,608	\$ 8,699,674

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Operating revenues					
Licenses and permits	\$ 1,301,033	\$ -	\$ -	\$ -	\$ 1,301,033
Parking fees	-	883,204	-	-	883,204
Solid waste fees	-	-	5,656,106	-	5,656,106
Other	1,561	2,468	98,540	797	103,366
Total operating revenues	<u>1,302,594</u>	<u>885,672</u>	<u>5,754,646</u>	<u>797</u>	<u>7,943,709</u>
Operating expenses					
Personnel services	1,070,423	-	1,573,096	-	2,643,519
Materials and supplies	9,425	-	404,523	-	413,948
Contractual services	38,714	847,832	2,324,742	91,057	3,302,345
General and administration	328,799	124,317	958,978	-	1,412,094
Depreciation	51,178	290,759	856,939	-	1,198,876
Total operating expenses	<u>1,498,539</u>	<u>1,262,908</u>	<u>6,118,278</u>	<u>91,057</u>	<u>8,970,782</u>
Operating income (loss)	<u>(195,945)</u>	<u>(377,236)</u>	<u>(363,632)</u>	<u>(90,260)</u>	<u>(1,027,073)</u>
Nonoperating revenues (expenses)					
Investment income	21,996	8,164	2,910	8,140	41,210
Interest expense	(1,885)	-	(50,993)	-	(52,878)
Total nonoperating revenues (expenses)	<u>20,111</u>	<u>8,164</u>	<u>(48,083)</u>	<u>8,140</u>	<u>(11,668)</u>
Income (loss) - Before contributions and transfers	<u>(175,834)</u>	<u>(369,072)</u>	<u>(411,715)</u>	<u>(82,120)</u>	<u>(1,038,741)</u>
Capital contributions - Other capital contributions	-	-	-	-	-
Transfers in	-	-	1,000	-	1,000
Transfers out	-	-	-	(1,716,684)	(1,716,684)
Change in net position	<u>(175,834)</u>	<u>(369,072)</u>	<u>(410,715)</u>	<u>(1,798,804)</u>	<u>(2,754,425)</u>
Net position as previously reported	3,674,022	6,969,469	1,779,047	4,688,168	17,110,706
Restatement	(2,305,020)	-	(1,072,831)	(2,278,756)	(5,656,607)
Net position - Beginning of year as restated	<u>1,369,002</u>	<u>6,969,469</u>	<u>706,216</u>	<u>2,409,412</u>	<u>11,454,099</u>
Net position - End of year	<u>\$ 1,193,168</u>	<u>\$ 6,600,397</u>	<u>\$ 295,501</u>	<u>\$ 610,608</u>	<u>\$ 8,699,674</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Cash flows from operating activities					
Receipts from customers and users	\$ 1,304,670	\$ 883,716	\$ 5,546,910	\$ 797	\$ 7,736,093
Payments to suppliers	(39,985)	(1,109,494)	(2,732,166)	(211,832)	(4,093,477)
Payments to employees	(1,069,558)	-	(1,643,899)	-	(2,713,457)
Internal activity - payments to other funds	(328,799)	(123,933)	(855,056)	-	(1,307,788)
Net cash provided by (used in) operating activities	<u>(133,672)</u>	<u>(349,711)</u>	<u>315,789</u>	<u>(211,035)</u>	<u>(378,629)</u>
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	1,000	-	1,000
Loans from other funds	-	-	250,000	-	250,000
Transfers to other funds	-	-	-	(1,716,684)	(1,716,684)
Net cash (used in) provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>251,000</u>	<u>(1,716,684)</u>	<u>(1,465,684)</u>
Cash flows from capital and related financing activities					
Proceeds from capital debt issued for future capital purchase	-	-	375,000	-	375,000
Purchase of capital assets	-	(312,636)	-	-	(312,636)
Principal paid on capital debt	(42,727)	-	(1,056,629)	-	(1,099,356)
Interest paid on capital debt	(2,184)	-	(55,409)	-	(57,593)
Net cash (used in) provided by capital and related financing activities	<u>(44,911)</u>	<u>(312,636)</u>	<u>(737,038)</u>	<u>-</u>	<u>(1,094,585)</u>
Cash flows from investing activities					
Interest received on investments	26,999	12,042	4,600	16,149	59,790
Proceeds from sale and maturities of investment securities	164,811	473,829	255,933	1,355,832	2,250,405
Net cash provided by (used in) investing activities	<u>191,810</u>	<u>485,871</u>	<u>260,533</u>	<u>1,371,981</u>	<u>2,310,195</u>
Net (decrease) increase in cash and cash equivalents	13,227	(176,476)	90,284	(555,738)	(628,703)
Cash and cash equivalents - beginning of year	<u>685,797</u>	<u>396,903</u>	<u>331,563</u>	<u>754,200</u>	<u>2,168,463</u>
Cash and cash equivalents - end of year	<u>\$ 699,024</u>	<u>\$ 220,427</u>	<u>\$ 421,847</u>	<u>\$ 198,462</u>	<u>\$ 1,539,760</u>
Classification of cash and cash equivalents					
Cash and investments	\$ 2,135,677	\$ 675,947	\$ 92,485	\$ 608,590	\$ 3,512,699
Restricted cash and investments	-	-	388,159	-	388,159
Less amounts classified as investments	(1,436,653)	(455,520)	(58,797)	(410,128)	(2,361,098)
Total cash and cash equivalents	<u>\$ 699,024</u>	<u>\$ 220,427</u>	<u>\$ 421,847</u>	<u>\$ 198,462</u>	<u>\$ 1,539,760</u>
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	(195,945)	(377,236)	(363,632)	(90,260)	(1,027,073)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	51,178	290,759	856,939	-	1,198,876
Changes in assets and liabilities:					
Receivables	3,707	74,713	(207,735)	-	(129,315)
Prepaid expenses and other assets	-	-	-	(2,018)	(2,018)
Accounts payable	3,199	(261,662)	(8,138)	(107,933)	(374,534)
Taxes payable	3,324	-	5,236	-	8,560
Due to other governments	-	-	-	(10,824)	(10,824)
Due to other funds	-	384	103,922	-	104,306
Accrued payroll payable	(3,530)	-	(13,785)	-	(17,315)
Compensated absences payable	9,770	-	(275)	-	9,495
Unearned revenue	-	(76,669)	-	-	(76,669)
Increase (decrease) in deferred outflows of resources					
Pension items	(31,571)	-	(35,286)	-	(66,857)
OPEB items	(57,029)	-	(69,606)	-	(126,635)
Increase in net pension liabilities	(25,856)	-	(59,634)	-	(85,490)
Increase in OPEB liability	59,654	-	56,209	-	115,863
Decrease in deferred inflows of resources					
Pension items	25,211	-	26,797	-	52,008
OPEB items	24,216	-	24,776	-	48,993
Total adjustments	<u>62,273</u>	<u>27,525</u>	<u>679,421</u>	<u>(120,775)</u>	<u>648,444</u>
Net cash provided by (used in) operating activities	<u>\$ (133,672)</u>	<u>\$ (349,711)</u>	<u>\$ 315,789</u>	<u>\$ (211,035)</u>	<u>\$ (378,629)</u>
Noncash investing, capital, and financing activities					
Capital assets disposed (at cost)	\$ -	\$ -	\$ (6,400)	\$ -	\$ (6,400)
Work in progress completed transferred to capital assets	-	(647,659)	-	-	(647,659)
Accumulated depreciation on disposals of capital assets	-	-	6,400	-	6,400

INTERNAL SERVICE FUNDS

Liability Insurance Premium Reserve	To account 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 employee contributions for a health plan, and for the payment of healthcare claims for members of the City's plan.
Central Services	To account for expenses related to fuel, vehicle repairs and various supplies provided to City departments on a cost-reimbursement basis.
Police Take Home Vehicle	To account for expenses associated with claims arising from use of program vehicles occurring while officers are not on duty. Funding is provided by officers participating in the program.
Innovation/ Information Technology/ 311 Call Center	To account for expenses associated with the 311 Call Center and Department of Innovation & Technology. The Call Center is a customer service support center where residents and business can receive personal assistance with City-related questions and non-emergency services. The IT Department provides technical services to the various departments within the City. Funding is provided by the departments which benefit from the 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.
Parental Leave	To account for expenses related to the City's Parental Leave Program which provides additional paid time off for employees for the child or adoption of a child. Financing is provided by allocating costs to user departments to cover the estimated costs of the program.

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology 311 Call Center	Unemployment Compensation Insurance	Parental Leave	Total
Assets								
Current assets:								
Cash and cash equivalents	\$ 1,947,378	\$ 3,315,905	\$ 412,397	\$ 222,897	\$ 703,760	\$ 10,415	\$ 51,496	\$ 6,664,248
Investments	4,024,317	6,852,420	834,337	460,624	1,435,732	21,523	106,418	13,735,371
Receivables:								
Accounts	-	1,674	96,980	-	325	-	-	98,979
Interest	5,366	9,137	1,113	614	1,914	29	142	18,315
Due from other funds	-	-	103,922	-	-	-	-	103,922
Inventory	-	-	848,705	-	-	-	-	848,705
Prepaid expenses	323,334	-	1,500	-	834,058	-	-	1,158,892
Total current assets	<u>6,300,395</u>	<u>10,179,136</u>	<u>2,298,954</u>	<u>684,135</u>	<u>2,975,789</u>	<u>31,967</u>	<u>158,056</u>	<u>22,628,432</u>
Noncurrent assets:								
Capital assets:								
Assets subject to depreciation	-	-	1,059,082	-	-	-	-	1,059,082
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,059,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,059,082</u>
Total assets	<u>6,300,395</u>	<u>10,179,136</u>	<u>3,358,036</u>	<u>684,135</u>	<u>2,975,789</u>	<u>31,967</u>	<u>158,056</u>	<u>23,687,514</u>
Deferred outflows of resources								
Deferred outflows related to pensions	13,957	-	209,674	-	223,512	-	-	447,143
Deferred outflows related to OPEB	10,714	-	160,958	-	171,580	-	-	343,252
Total deferred outflows of resources	<u>24,671</u>	<u>-</u>	<u>370,632</u>	<u>-</u>	<u>395,092</u>	<u>-</u>	<u>-</u>	<u>790,395</u>
Liabilities								
Current liabilities:								
Accounts payable	87,205	331,277	278,824	1,685	238,452	13,632	-	951,075
Due to other funds	-	-	1,629	-	-	-	-	1,629
Accrued liabilities and other:								
Accrued payroll payable	-	-	70,235	-	75,668	-	-	145,903
Accrued interest payable	-	-	119	-	9,138	-	-	9,257
Taxes payable	-	-	8,359	-	9,006	-	-	17,365
Compensated absences	-	-	117,825	-	163,663	-	-	281,488
Claims payable	1,836,696	975,363	-	-	-	-	-	2,812,059
Capital leases	-	-	10,370	-	616,650	-	-	627,020
Total current liabilities	<u>1,923,901</u>	<u>1,306,640</u>	<u>487,361</u>	<u>1,685</u>	<u>1,112,577</u>	<u>13,632</u>	<u>-</u>	<u>4,845,796</u>
Noncurrent liabilities:								
Capital leases	-	-	20,520	-	802,102	-	-	822,622
Net pension liability	64,541	-	969,599	-	1,033,589	-	-	2,067,729
Total OPEB liability	52,240	-	784,810	-	836,604	-	-	1,673,654
Total noncurrent liabilities	<u>116,781</u>	<u>-</u>	<u>1,774,929</u>	<u>-</u>	<u>2,672,295</u>	<u>-</u>	<u>-</u>	<u>4,564,005</u>
Total liabilities	<u>2,040,682</u>	<u>1,306,640</u>	<u>2,262,290</u>	<u>1,685</u>	<u>3,784,872</u>	<u>13,632</u>	<u>-</u>	<u>9,409,801</u>
Deferred inflows of resources								
Deferred inflows related to pensions	14,560	-	218,736	-	233,172	-	-	466,468
Deferred inflows related to OPEB	16,367	-	245,879	-	262,106	-	-	524,352
Total deferred inflows of resources	<u>30,927</u>	<u>-</u>	<u>464,615</u>	<u>-</u>	<u>495,278</u>	<u>-</u>	<u>-</u>	<u>990,820</u>
Net position								
Net investment in capital assets	-	-	1,028,192	-	(1,418,752)	-	-	(390,560)
Unrestricted	4,253,457	8,872,496	(26,429)	682,450	509,483	18,335	158,056	14,467,848
Total net position	<u>\$ 4,253,457</u>	<u>\$ 8,872,496</u>	<u>\$ 1,001,763</u>	<u>\$ 682,450</u>	<u>\$ (909,269)</u>	<u>\$ 18,335</u>	<u>\$ 158,056</u>	<u>\$ 14,077,288</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds

For the Year Ended December 31, 2020

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology 311 Call Center	Unemployment Compensation Insurance	Parental Leave	Total
Operating revenues								
Employee/employer contributions	\$ 2,914,500	\$ 15,876,110	\$ -	\$ 5,480	\$ 6,656,930	\$ 6,899	\$ 244,090	\$ 25,704,009
Charges for sales and services	-	-	6,884,611	-	38,750	-	-	6,923,361
Charges to other funds	-	-	122,143	-	-	-	-	122,143
Other	221,223	373,523	80,825	-	47,962	-	-	723,533
Total operating revenues	<u>3,135,723</u>	<u>16,249,633</u>	<u>7,087,579</u>	<u>5,480</u>	<u>6,743,642</u>	<u>6,899</u>	<u>244,090</u>	<u>33,473,046</u>
Operating expenses								
Personnel services	107,467	76,048	2,299,137	-	2,642,273	-	119,938	5,244,863
Materials and supplies	912,467	124,957	3,788,137	-	566,878	-	-	5,392,439
Contractual services	1,249,372	1,071,446	153,836	8,007	4,299,643	-	-	6,782,304
Insurance claims and premiums	1,244,843	14,310,324	-	-	-	162,272	-	15,717,439
General and administration	77,446	-	306,521	-	5,911	-	-	389,878
Depreciation	-	-	132,189	-	-	-	-	132,189
Total operating expenses	<u>3,591,595</u>	<u>15,582,775</u>	<u>6,679,820</u>	<u>8,007</u>	<u>7,514,705</u>	<u>162,272</u>	<u>119,938</u>	<u>33,659,112</u>
Operating income (loss)	<u>(455,872)</u>	<u>666,858</u>	<u>407,759</u>	<u>(2,527)</u>	<u>(771,063)</u>	<u>(155,373)</u>	<u>124,152</u>	<u>(186,066)</u>
Nonoperating revenues (expenses)								
Investment income	66,168	107,962	12,781	7,058	24,288	988	1,235	220,480
Interest expense	-	-	(1,161)	-	(59,274)	-	-	(60,435)
(Loss) gain on sale of assets	-	-	7,268	-	-	-	-	7,268
Total nonoperating revenues (expenses)	<u>66,168</u>	<u>107,962</u>	<u>18,888</u>	<u>7,058</u>	<u>(34,986)</u>	<u>988</u>	<u>1,235</u>	<u>167,313</u>
Income (loss) - Before contributions and transfers	<u>(389,704)</u>	<u>774,820</u>	<u>426,647</u>	<u>4,531</u>	<u>(806,049)</u>	<u>(154,385)</u>	<u>125,387</u>	<u>(18,753)</u>
Transfers in	49,087	-	330	-	-	-	-	49,417
Transfers out	-	-	-	(49,087)	-	-	-	(49,087)
Change in net position	<u>(340,617)</u>	<u>774,820</u>	<u>426,977</u>	<u>(44,556)</u>	<u>(806,049)</u>	<u>(154,385)</u>	<u>125,387</u>	<u>(18,423)</u>
Net position as previously reported	4,768,775	8,097,676	2,690,289	727,006	1,813,516	172,720	32,669	18,302,651
Restatement	(174,701)	-	(2,115,503)	-	(1,916,736)	-	-	(4,206,940)
Net position - Beginning of year as restated	<u>4,594,074</u>	<u>8,097,676</u>	<u>574,786</u>	<u>727,006</u>	<u>(103,220)</u>	<u>172,720</u>	<u>32,669</u>	<u>14,095,711</u>
Net position - End of year	<u>\$ 4,253,457</u>	<u>\$ 8,872,496</u>	<u>\$ 1,001,763</u>	<u>\$ 682,450</u>	<u>\$ (909,269)</u>	<u>\$ 18,335</u>	<u>\$ 158,056</u>	<u>\$ 14,077,288</u>

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation/Technology/311 Call Center	Unemployment Compensation Insurance	Parental Leave	Total
Cash flows from operating activities								
Receipts from customers and users	\$ 1,626,433	\$ 380,996	\$ 477,547	\$ 5,480	\$ 92,183	\$ 6,899	\$ -	\$ 2,589,538
Receipts from interfund services and reimbursements	2,914,500	15,876,111	6,518,360	-	6,729,976	-	244,090	32,283,037
Payments to suppliers	(3,417,649)	(15,496,854)	(4,350,693)	(7,004)	(4,642,401)	(157,449)	-	(28,072,050)
Payments to employees	(162,492)	-	(2,576,354)	-	(2,553,154)	-	(119,938)	(5,411,938)
Internal activity - payments to other funds	(77,446)	-	(306,282)	-	(5,911)	-	-	(389,639)
Net cash provided by (used in) operating activities	883,346	760,253	(237,422)	(1,524)	(379,307)	(150,550)	124,152	998,948
Cash flows from noncapital financing activities								
Transfers from other funds	49,087	-	330	(49,087)	-	-	-	330
Net cash (used in) provided by noncapital financing activities	49,087	-	330	(49,087)	-	-	-	330
Cash flows from capital and related financing activities								
Proceeds from sales of capital assets	-	-	7,268	-	-	-	-	7,268
Principal paid on capital debt	-	-	(23,307)	-	(618,553)	-	-	(641,860)
Interest paid on capital debt	-	-	(1,243)	-	(59,675)	-	-	(60,918)
Net cash (used in) provided by capital and related financing activities	-	-	(17,282)	-	(678,228)	-	-	(695,510)
Cash flows from investing activities								
Interest received on investments	77,835	130,753	15,868	8,939	32,167	1,577	1,199	268,338
Proceeds from sale and maturities of investment securities	(547,680)	(376,684)	200,701	47,543	742,388	105,247	(83,600)	87,915
Net cash provided by (used in) investing activities	(469,845)	(245,931)	216,569	56,482	774,555	106,824	(82,401)	356,253
Net (decrease) increase in cash and cash equivalents	462,588	514,322	(37,805)	5,871	(282,980)	(43,726)	41,751	660,021
Cash and cash equivalents - beginning of year	1,484,790	2,801,583	450,202	217,026	986,740	54,141	9,745	6,004,227
Cash and cash equivalents - end of year	\$ 1,947,378	\$ 3,315,905	\$ 412,397	\$ 222,897	\$ 703,760	\$ 10,415	\$ 51,496	\$ 6,664,248
Classification of cash and cash equivalents								
Cash and investments	\$ 5,971,695	\$ 10,168,325	\$ 1,246,735	\$ 683,521	\$ 2,139,492	\$ 31,938	\$ 157,914	\$ 20,399,620
Restricted cash and investments	-	-	-	-	-	-	-	-
Less amounts classified as investments	(4,024,317)	(6,852,420)	(834,338)	(460,624)	(1,435,732)	(21,523)	(106,418)	(13,735,372)
Total cash and cash equivalents	\$ 1,947,378	\$ 3,315,905	\$ 412,397	\$ 222,897	\$ 703,760	\$ 10,415	\$ 51,496	\$ 6,664,248
Reconciliation of operating income (loss) to net cash from operating activities								
Operating income (loss)	(455,872)	666,858	407,759	(2,527)	(771,063)	(155,373)	124,152	(186,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	-	-	132,189	-	-	-	-	132,189
Lease proceeds used for noncapital expenses	-	-	-	-	358,320	-	-	358,320
Changes in assets and liabilities:								
Receivables	1,405,210	7,473	12,249	-	5,471	-	-	1,430,403
Due from other funds	-	-	(103,922)	-	73,046	-	-	(30,876)
Inventory	-	-	61,506	-	-	-	-	61,506
Prepaid expenses and other assets	(36,823)	-	(750)	-	(218,503)	-	-	(256,076)
Accounts payable	(44,231)	135,404	(477,835)	1,003	75,298	4,823	-	(305,538)
Taxes payable	-	-	8,359	-	9,006	-	-	17,365
Due to other funds	-	-	239	-	-	-	-	239
Accrued payroll payable	(11,517)	-	(16,491)	-	722	-	-	(27,286)
Compensated absences payable	(11,679)	-	6,386	-	34,753	-	-	29,460
Estimate of unfilled claims	89,923	(49,482)	-	-	-	-	-	40,441
Increase (decrease) in deferred outflows of resources:								
Pension items	(934)	-	(51,973)	-	(80,628)	-	-	(133,535)
OPEB items	(7,640)	-	(123,739)	-	(137,858)	-	-	(269,237)
Increase in net pension liabilities	(31,965)	-	(199,013)	-	(25,224)	-	-	(256,202)
Increase in OPEB liability	(8,860)	-	44,933	-	166,245	-	-	202,318
Decrease in deferred inflows of resources:								
Pension items	(657)	-	34,472	-	66,221	-	-	100,036
OPEB items	(1,609)	-	28,208	-	64,887	-	-	91,486
Total adjustments	1,339,218	93,395	(645,181)	1,003	391,756	4,823	-	1,185,014
Net cash provided by (used in) operating activities	\$ 883,346	\$ 760,253	\$ (237,422)	\$ (1,524)	\$ (379,307)	\$ (150,550)	\$ 124,152	\$ 998,948
Noncash investing, capital, and financing activities								
Capital assets disposed (at cost)	\$ -	\$ -	\$ (67,143)	\$ -	\$ -	\$ -	\$ -	\$ (67,143)
Capital assets transferred from/to another und (cost)	-	-	22,630	-	-	-	-	22,630
Accumulated depreciation on disposals of capital assets	-	-	67,143	-	-	-	-	67,143
Accumulated depreciation on transfers of capital assets	-	-	(22,630)	-	-	-	-	(22,630)

FIDUCIARY FUNDS

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.

Custodial Funds

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.

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Pension Trust Funds			Custodial Fund
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Police Distribution Payable
Assets				
Cash and cash equivalents	\$ 185,219	\$ 148,275	\$ 333,494	\$ 894,848
Investments:				
U.S. Treasuries	23,183	18,559	41,742	-
U.S. Government Agency Securities	358,502	286,995	645,497	-
Tax-Exempt Municipal Bonds	1,076	861	1,937	-
Receivables - Accounts		-	-	-
Receivables - Interest	511	409	920	-
Total assets	<u>568,491</u>	<u>455,099</u>	<u>1,023,590</u>	<u>894,848</u>
Liabilities				
Accounts payable	12,072	70	12,142	-
Accrued liabilities and other	-	-	-	-
Customer deposits payable	-	-	-	-
Police distribution payable	-	-	-	894,848
Total liabilities	<u>12,072</u>	<u>70</u>	<u>12,142</u>	<u>894,848</u>
Net position restricted for pensions	<u>\$ 556,419</u>	<u>\$ 455,029</u>	<u>\$ 1,011,448</u>	

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Year Ended December 31, 2020

	Pension Trust Funds			Custodial Fund
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Police Distribution Payable
Additions				
Investment income - Interest and dividends	\$ 3,076	\$ 2,579	\$ 5,655	\$ -
Police asset seizures	-	-	-	68,122
Contributions:				
On behalf	6,048,813	4,323,533	10,372,346	-
Other	6,284	-	6,284	-
Net contributions	6,055,097	4,323,533	10,378,630	-
Total additions	6,058,173	4,326,112	10,384,285	68,122
Deductions				
Benefit payments	6,189,527	4,195,490	10,385,017	-
Police distributions	-	-	-	68,122
Administrative expenses	13,442	13,766	27,208	-
Total deductions	6,202,969	4,209,256	10,412,225	68,122
Net increase (decrease) in net position held in trust	(144,796)	116,856	(27,940)	-
Net position - Beginning of year	701,215	338,173	1,039,388	-
Net position - End of year	\$ 556,419	\$ 455,029	\$ 1,011,448	\$ -

Statistical Section

This part of the 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 government's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt capacity

These schedules present information to help the reader assess the affordability of the government'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 government's financial activities take place.

Operating information

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

Financial Trends

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

Net Position by Component

Last Ten Fiscal Years

	As of December 31,					As of December 31,				
	2011	2012	2013	2014 (1)	2015 (1)	2016	2017	2018	2019 (2)	2020
Governmental activities										
Net investment in capital assets	\$ 196,265,413	\$ 202,779,954	\$ 192,190,446	\$ 168,275,521	\$ 157,604,691	\$ 161,341,318	\$ 155,912,682	\$ 143,282,487	\$ 133,763,392	\$ 128,432,152
Restricted	9,354,772	8,050,418	7,990,172	8,723,878	9,137,552	8,669,117	9,245,531	11,639,254	11,332,302	11,810,879
Unrestricted	82,271,482	71,992,457	86,413,227	(18,581,970)	(25,882,348)	(7,327,797)	(16,751,916)	3,673,134	10,845,011	31,481,927
Total net position	<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>\$ 148,406,297</u>	<u>\$ 158,594,875</u>	<u>\$ 155,940,705</u>	<u>\$ 171,724,958</u>
Business-type activities										
Net investment in capital assets	\$ 103,463,004	\$ 113,193,929	\$ 114,506,252	\$ 136,685,811	\$ 141,998,384	\$ 145,288,974	\$ 145,585,038	\$ 147,069,159	\$ 151,699,680	\$ 158,425,568
Restricted	12,937,988	29,259,933	48,267,664	26,587,012	28,397,290	31,963,852	29,623,015	33,936,695	34,701,170	42,169,068
Unrestricted	45,733,630	26,957,505	7,906,258	22,426,017	24,415,739	25,357,665	28,103,338	30,785,421	19,018,588	12,248,916
Total net position	<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>\$ 203,311,391</u>	<u>\$ 211,791,275</u>	<u>\$ 205,419,438</u>	<u>\$ 212,843,552</u>
Primary government										
Net investment in capital assets	\$ 299,728,417	\$ 315,973,883	\$ 306,696,698	\$ 304,961,332	\$ 299,603,075	\$ 306,630,292	\$ 301,497,720	\$ 290,531,646	\$ 285,463,072	\$ 286,857,720
Restricted	22,292,760	37,310,351	56,257,836	35,310,890	37,534,842	40,632,969	\$ 38,868,546	45,575,949	46,033,472	53,979,947
Unrestricted	128,005,112	98,949,962	94,319,485	3,844,047	(1,466,609)	18,029,868	11,351,422	34,458,555	29,863,599	43,730,843
Total net position	<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>\$ 351,717,688</u>	<u>\$ 370,566,150</u>	<u>\$ 361,360,143</u>	<u>\$ 384,568,510</u>

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.

- (1) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.
- (2) 2019 Net position for governmental and business-type is restated. See Note 20 for information regarding the prior period adjustments.

Source: City of South Bend Annual Comprehensive Financial Reports

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ (16,783,351)	\$ (13,788,310)	\$ (13,200,898)	\$ (19,013,453)	\$ (21,572,776)	\$ (15,618,817)	\$ (16,750,853)	\$ (12,654,430)	\$ (10,915,147)	\$ (15,594,628)
Public safety	(73,530,442)	(69,977,237)	(76,023,819)	(68,783,155)	(56,528,448)	(55,029,909)	(71,656,865)	(69,209,163)	(92,017,691)	(71,038,475)
Highways and streets	(7,574,003)	(14,639,158)	(20,915,815)	(13,031,500)	(20,045,444)	(13,550,535)	(21,716,658)	(17,223,378)	(27,114,327)	(30,954,585)
Community and economic development	(34,648,975)	(20,217,987)	(10,069,690)	(19,780,791)	(40,727,612)	(28,436,368)	(26,326,989)	(33,801,755)	(44,698,518)	(33,591,809)
Culture and recreation	(15,566,794)	(21,724,589)	(26,846,471)	(16,802,311)	(20,300,768)	(17,156,094)	(19,332,902)	(26,076,331)	(24,641,558)	(18,219,658)
Interest on long-term debt	(6,798,531)	(6,134,406)	(5,961,124)	(2,497,849)	(5,135,146)	(4,727,630)	(4,538,530)	(5,718,172)	(5,746,755)	(5,928,006)
Total governmental activities expenses	<u>(154,902,096)</u>	<u>(146,481,687)</u>	<u>(153,017,817)</u>	<u>(139,909,059)</u>	<u>(164,310,194)</u>	<u>(134,519,353)</u>	<u>(160,322,797)</u>	<u>(164,683,229)</u>	<u>(205,133,996)</u>	<u>(175,327,161)</u>
Business-type activities:										
Water utility	(11,972,840)	(12,228,014)	(15,221,865)	(13,020,610)	(13,609,378)	(14,900,039)	(14,902,682)	(14,788,847)	(16,268,059)	(15,426,501)
Wastewater utility	(22,260,005)	(23,809,975)	(26,390,790)	(25,521,753)	(25,737,867)	(26,420,526)	(32,548,087)	(25,744,139)	(32,482,382)	(30,400,218)
Century center	(3,100,484)	(2,929,268)	(4,330,656)	(4,747,838)	(4,854,747)	(5,364,472)	(5,121,336)	(5,287,797)	(5,469,673)	(3,513,761)
Consolidated building (1)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)	(3,240,172)	(3,704,963)	(4,136,837)	(4,329,275)	(1,500,424)
Parking garage	(1,467,646)	(1,721,655)	(1,285,056)	(1,660,596)	(2,139,182)	(909,857)	(1,177,363)	(459,536)	(1,178,641)	(1,262,908)
Solid waste	(4,962,157)	(5,118,806)	(5,091,588)	(5,811,526)	(5,243,972)	(5,794,913)	(5,169,128)	(5,467,986)	(5,481,420)	(6,169,271)
Blackthorn golf course	(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)	(8,987,340)	(7,864,987)	(91,057)
Total business-type activities expenses	<u>(46,323,473)</u>	<u>(48,559,092)</u>	<u>(54,949,283)</u>	<u>(55,879,605)</u>	<u>(61,899,676)</u>	<u>(64,067,328)</u>	<u>(71,240,609)</u>	<u>(64,872,482)</u>	<u>(73,074,437)</u>	<u>(58,364,140)</u>
Total primary government expenses	<u>(201,225,569)</u>	<u>(195,040,779)</u>	<u>(207,967,100)</u>	<u>(195,788,664)</u>	<u>(226,209,870)</u>	<u>(198,586,681)</u>	<u>(231,563,406)</u>	<u>(229,555,711)</u>	<u>(278,208,433)</u>	<u>(233,691,301)</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,165,018	\$ 2,100,103	\$ 1,939,865	\$ 1,451,438	\$ 1,188,531	\$ 1,622,788	\$ 1,118,328	\$ 718,155	\$ 452,796	\$ 635,786
Public safety	4,096,566	5,079,182	5,210,272	4,992,228	529,386	975,712	648,136	702,977	521,835	5,940,878
Highways and streets	227,000	291,840	451,363	728,343	676,429	707,547	976,095	-	244,790	690,372
Community and economic development	683,503	271,366	444,839	485,938	408,654	481,293	1,489,942	698,252	199,405	1,391,715
Culture and recreation	4,681,536	5,224,543	5,112,019	3,815,920	3,726,359	4,383,977	4,308,699	4,356,659	4,240,087	3,180,546
Operating grants and contributions	32,091,246	24,937,596	21,466,622	3,203,805	2,813,481	2,644,272	11,828,681	26,248,738	14,701,908	20,139,125
Capital grants and contributions	2,328,468	2,468,120	1,867,213	-	-	-	1,000,000	4,100,000	3,605,801	949,034
Total governmental activities program revenues	<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>	<u>36,824,781</u>	<u>23,966,622</u>	<u>32,927,456</u>
Business-type activities:										
Charges for services:										
Water utility	14,080,592	15,409,171	15,102,462	14,373,176	14,204,285	15,091,372	15,290,203	17,183,460	20,440,181	21,536,290
Wastewater utility	29,407,263	30,657,698	32,474,743	34,009,117	36,638,804	39,061,562	38,794,212	39,931,429	41,324,779	39,653,436
Century center	2,894,913	2,680,076	3,463,813	2,227,171	4,202,564	4,796,676	3,055,793	3,258,017	3,268,026	1,047,253
Consolidated building	899,397	1,000,381	967,667	1,387,571	2,037,950	1,764,100	1,902,493	2,044,582	2,043,272	1,302,594
Parking garage	1,071,078	921,044	968,868	1,017,218	968,417	996,197	1,264,706	1,323,524	1,004,401	885,672
Solid waste	4,830,342	5,081,991	5,399,044	5,295,712	5,364,871	5,839,143	5,420,711	5,471,364	5,465,311	5,754,646
Blackthorn golf course	1,392,999	1,669,372	1,530,402	1,548,341	109,949	-	-	-	-	-
Emergency medical services	-	-	-	-	6,470,446	7,921,172	7,308,243	6,727,643	5,720,434	797
Operating grants and contributions	-	-	-	-	-	-	-	278,112	-	-
Capital grants and contributions	4,291,731	2,010,253	697,916	95,834	4,683,424	649,609	1,170,970	-	1,710,762	2,142,194
Total business-type activities program revenues	<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>74,207,331</u>	<u>76,218,131</u>	<u>80,977,166</u>	<u>72,322,882</u>
Total primary government program revenues	<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>95,577,212</u>	<u>113,042,912</u>	<u>104,943,788</u>	<u>105,250,338</u>
Net (expenses)/revenues										
Governmental activities	(109,628,759)	(106,108,937)	(116,525,624)	(125,231,387)	(154,967,354)	(123,703,764)	(138,952,916)	(127,858,448)	(181,167,374)	(142,399,705)
Business-type activities	12,544,842	10,870,894	5,655,632	4,074,535	12,781,034	12,052,503	2,966,722	11,345,649	7,902,729	13,958,742
Total primary government net (expenses)/revenues	<u>(97,083,917)</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>(135,986,194)</u>	<u>(116,512,799)</u>	<u>(173,264,645)</u>	<u>(128,440,963)</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 76,445,349	\$ 71,775,415	\$ 72,018,650	\$ 69,221,468	\$ 72,032,049	\$ 76,331,581	\$ 78,266,107	\$ 80,155,902	\$ 82,470,667	\$ 80,188,143
Income taxes	21,264,496	22,073,702	21,916,677	23,822,661	23,879,047	30,789,397	28,179,750	32,911,525	34,643,723	36,897,937
Hotel/motel taxes	-	-	-	-	492,000	396,000	394,000	616,437	630,000	602,937
Professional sports development area taxes	558,268	633,904	649,996	588,054	628,261	673,787	347,255	-	-	-
Community revitalization district taxes	733,100	653,185	244,623	-	-	-	-	-	-	-
Unrestricted grants and contributions	3,964,336	3,891,810	5,893,924	28,473,888	24,995,112	25,450,397	16,766,034	4,819,125	13,050,283	12,242,415
Unrestricted investment income	1,050,768	1,317,443	762,270	951,901	1,322,674	1,458,787	1,687,888	3,304,646	5,136,772	2,152,868
Other miscellaneous income	3,483,054	6,623,313	14,285,314	6,747,199	11,214,442	6,745,542	8,731,916	10,523,004	17,646,068	17,917,905
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	80,339
Transfers	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415	3,681,016	4,123,183	5,229,661	2,768,851	8,101,414
Total governmental activities	<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>	<u>137,560,300</u>	<u>156,346,364</u>	<u>158,183,958</u>
Business-type activities:										
Unrestricted Investment earnings	206,409	285,572	138,362	128,168	358,918	570,982	578,773	1,088,896	1,784,206	639,006
Hotel/motel taxes (3)	-	-	-	1,313,450	-	-	1,275,000	1,275,000	1,275,000	956,250
Other	-	-	-	188,214	-	-	3,588	-	-	(28,470)
Gain (loss) on sale of capital assets	-	-	-	-	-	(1,143,391)	-	-	-	-
Transfers	(3,041,176)	(3,879,721)	(4,525,187)	683,049	(2,846,415)	(3,681,016)	(4,123,183)	(5,229,661)	(2,768,851)	(8,101,414)
Total business-type activities	<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>(4,253,425)</u>	<u>(2,265,822)</u>	<u>(2,865,765)</u>	<u>290,355</u>	<u>(6,534,628)</u>
Total primary government	<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>141,273,082</u>	<u>136,230,311</u>	<u>134,694,535</u>	<u>156,636,719</u>	<u>151,649,330</u>
Special Item (Governmental activities):										
Well field contamination settlement	-	-	-	-	-	-	-	-	-	-
Disposal of operations	-	-	-	-	(1,180,964)	-	-	-	-	-
Change in Net Position										
Governmental activities	911,788	4,739,556	3,771,017	3,890,735	(17,557,354)	21,822,743	(456,783)	9,701,852	(24,821,010)	15,784,253
Business-type activities	9,710,075	7,276,745	1,268,807	6,387,416	10,293,537	7,799,078	700,900	8,479,884	8,193,084	7,424,114
Total primary government	<u>\$ 10,621,863</u>	<u>\$ 12,016,301</u>	<u>\$ 5,039,824</u>	<u>\$ 10,278,151</u>	<u>\$ (7,263,817)</u>	<u>\$ 29,621,821</u>	<u>\$ 244,117</u>	<u>\$ 18,181,736</u>	<u>\$ (16,627,926)</u>	<u>\$ 23,208,367</u>

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. In 2019, Code Enforcement and Animal Care & Control were moved into a governmental fund and reclassified as general governmental activities again.

(2) In 2015, Emergency Medical Services was reclassified to an enterprise fund. In 2019, EMS activities were reclassified from business-type to public safety governmental activities.

(3) Hotel/motel taxes for the Century Center were mistakenly included in program revenues from 2011-2013 and 2015-2016, but are now represented as general revenues.

Source: City of South Bend Annual Comprehensive Financial Reports (excludes prior period adjustments)

Fund Balances - Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable	1,115,025	958,341	656,848	558,304	491,665	494,730	447,003	425,680	-	-
Restricted	327,267	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	255,287	165,389	516,506	-	466,088	1,380,036	1,242,770	820,914	820,834	820,834
Unassigned	26,233,637	27,671,353	26,495,559	27,029,101	29,664,303	32,077,856	33,776,487	37,383,206	42,478,766	50,205,182
Total general fund	<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>	<u>38,629,800</u>	<u>43,299,600</u>	<u>51,026,016</u>
All other governmental funds:										
Nonspendable	37,036,839	37,706,861	22,828,476	20,537,450	27,042,236	23,566,267	21,927,221	22,322	15,686	11,359,804
Restricted	44,754,037	78,326,567	95,387,879	100,501,274	113,004,506	101,826,640	125,302,667	152,809,121	119,218,398	109,268,103
Committed	11,829,074	11,142,045	20,697,026	12,962,745	2,238,475	2,698,694	2,392,685	3,209,500	4,495,457	6,177,133
Assigned	77,460,284	35,180,652	35,455,190	35,147,874	32,138,059	31,998,790	32,769,201	38,707,987	42,474,803	46,188,124
Unassigned	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)	(4,218,596)	(2,301,793)	(626,846)	-	(57,852)	-
Total all other governmental funds	<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>	<u>194,748,930</u>	<u>166,146,492</u>	<u>172,993,164</u>
Total of all governmental funds	<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>	<u>\$ 233,378,730</u>	<u>\$ 209,446,092</u>	<u>\$ 224,019,180</u>

Source: City of South Bend Annual Comprehensive Financial Reports

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 99,001,213	\$ 95,136,206	\$ 94,829,947	\$ 93,632,183	\$ 96,033,296	\$ 107,861,553	\$ 106,746,367	\$ 113,683,864	\$ 117,943,632	\$ 117,689,017
Licenses, fees and permits	190,943	189,714	177,019	141,565	151,923	224,677	231,260	245,956	284,048	311,100
Intergovernmental	34,419,714	31,297,526	29,227,759	30,663,505	30,216,059	27,959,813	29,634,896	35,167,863	31,987,992	33,326,540
Charges for services	13,990,267	12,442,553	12,320,498	10,628,976	5,794,168	7,062,108	7,020,575	5,735,251	5,658,913	11,286,157
Fines and forfeitures	636,749	334,767	660,841	563,999	454,327	756,781	562,466	494,836	1,124,570	647,214
Investment income	1,050,768	1,317,443	762,270	955,376	1,253,242	1,624,527	1,687,888	3,304,646	5,136,772	2,152,868
Other revenues	3,587,518	6,660,875	13,174,140	7,904,187	8,816,811	7,179,959	9,703,304	10,523,004	16,237,450	16,959,591
Total revenues	152,877,172	147,379,084	151,152,474	144,489,791	142,719,826	152,669,418	155,586,756	169,155,420	178,373,377	182,372,487
Expenditures										
Current:										
General government	6,680,855	6,390,585	7,154,965	8,022,688	8,420,278	16,311,633	14,221,015	12,763,226	11,714,095	14,890,828
Public safety	69,612,754	67,138,414	64,041,549	66,927,250	61,889,405	64,350,281	72,010,182	75,530,051	74,695,638	77,145,197
Highways and streets	5,079,041	9,288,682	9,769,942	10,441,957	12,787,641	11,294,768	13,600,140	16,906,126	19,636,991	18,741,789
Community and economic development	13,816,699	18,557,986	13,956,025	13,948,089	12,855,704	13,070,606	20,622,330	22,179,273	20,706,436	12,593,759
Culture and recreation	9,698,611	3,543,180	8,068,458	7,309,130	11,068,013	20,894,153	15,904,306	16,597,764	26,106,656	15,993,587
Capital outlay	46,691,030	39,984,127	30,748,663	29,407,934	46,553,570	27,056,295	17,035,543	23,240,519	43,200,250	31,186,219
Debt service:										
Principal	13,632,195	10,822,721	13,008,105	12,882,830	13,319,392	13,055,327	16,634,195	13,134,725	14,124,590	14,569,010
Interest on long-term debt	7,186,494	6,734,305	6,113,043	5,360,219	5,392,298	4,943,021	4,514,526	5,682,429	6,002,448	6,018,810
Bond issuance costs	-	-	-	-	372,432	-	-	165,885	293,022	301,761
Total expenditures	172,397,679	162,460,000	152,860,750	154,300,097	172,658,733	170,976,084	174,542,237	186,199,998	216,480,126	191,440,960
Excess of revenues (under) over expenditures	(19,520,507)	(15,080,916)	(1,708,276)	(9,810,306)	(29,938,907)	(18,306,666)	(18,955,481)	(17,044,578)	(38,106,749)	(9,068,473)
Other financing sources (uses)										
Issuance of debt	3,478,239	5,660,897	7,801,455	8,436,905	69,426,593	4,999,053	40,727,816	26,101,096	8,788,457	10,093,069
Premium on debt	26,877	1,236,364	21,576	171,851	1,919,787	-	6,478	479,608	1,462,841	120,059
Proceeds from refunding	38,307,431	13,595,000	3,990,000	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)	-	-	-	-	-
Transfers in	22,483,564	25,368,413	26,365,239	18,478,925	31,498,681	19,541,050	29,141,285	28,197,288	27,479,435	34,125,738
Transfers out	(19,442,388)	(21,488,692)	(21,840,052)	(16,522,289)	(28,652,266)	(15,860,034)	(25,018,102)	(22,528,488)	(24,110,584)	(26,024,654)
Other	-	-	-	28,476	1,235,744	541,081	(412,028)	942,616	67,236	167,423
Total other financing sources (uses)	7,552,867	9,758,835	11,961,449	7,111,663	39,729,724	9,221,150	44,445,449	33,192,120	13,687,385	18,481,635
Net change in fund balances	\$ (11,967,640)	\$ (5,322,081)	\$ 10,253,173	\$ (2,698,643)	\$ 9,790,817	\$ (9,085,516)	\$ 25,489,968	\$ 16,147,542	\$ (24,419,364)	\$ 9,413,162

Excludes prior period adjustments

Debt service as a percentage of noncapital expenditures (1)	16.01%	11.67%	14.07%	12.77%	12.21%	11.27%	14.60%	11.00%	10.89%	13.72%
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(1) Formula = Debt service payments (principal and interest) / (Total Governmental Fund expenditures – Governmental Fund capital outlay per reconciliation)

Source: City of South Bend Annual Comprehensive Financial Reports (excludes prior period adjustments)

**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		
2011	39	3,342,964	-	-	n/a	2,474,034	5,816,998	
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%
2018	36	3,179,336	-	-	n/a	3,719,934	6,899,270	9.43%
2019	45	4,789,990	-	-	n/a	4,137,490	8,927,480	29.40%
2020	34	3,336,459	-	-	n/a	5,047,305	8,383,764	-6.09%

Banks				Credit Unions			
1st Source Bank	\$	2,026,154	60.74%	Teacher's Credit Union	\$	3,601,881	71.36%
Centier		10,818	0.32%	Notre Dame Federal Credit Union		681,425	13.50%
KeyBank		500,149	14.99%	Community Wide Credit Union		476,095	9.43%
Others		799,338	23.96%	AAA Federal Credit Union		62,987	1.25%
Total	\$	3,336,459	100.01%	Policemen's Federal Credit Union		59,073	1.17%
				Others		165,844	3.29%
				Total	\$	5,047,305	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. (Industry Analysis, Bank Data & Statistics, Reporting Tools, Deposits Market Shares 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.

Revenue Capacity

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

Property Taxes Levies and Collections

Last Ten Fiscal Years

Tax Year/ Collection Year	Certified Tax Levy (1)	Circuit Breaker Tax Credit (2)	Post-Circuit Breaker Tax Levy	Taxes Collected (3)	Collected as a Percent of Gross Levy	Collected as a Percent of Net Levy	Outstanding Delinquent Taxes (4)	Outstanding Delinquent Taxes as a Percent of Net Levy
2010/2011	68,662,101	17,692,787	52,583,069	46,668,764	67.97%	88.75%	8,165,775	15.53%
2011/2012	70,756,844	23,965,911	50,969,314	47,728,794	67.45%	93.64%	9,550,891	18.74%
2012/2013	72,696,497	27,863,156	46,790,933	43,943,006	60.45%	93.91%	11,146,473	23.82%
2013/2014	73,981,565	27,051,751	44,833,341	44,540,371	60.20%	99.35%	8,745,941	19.51%
2014/2015	76,533,090	31,636,141	44,896,949	45,265,669	59.15%	100.82%	8,200,000	18.26%
2015/2016	78,503,658	30,864,405	47,639,253	47,766,833	60.85%	100.27%	7,468,597	15.68%
2016/2017	81,487,640	32,421,068	49,066,572	49,080,526	60.23%	100.03%	12,106,873	24.67%
2017/2018	85,426,389	33,910,221	51,516,168	51,498,854	60.28%	99.97%	20,670,152	40.12%
2018/2019	88,747,340	35,874,959	52,872,381	55,470,558	62.50%	104.91%	17,624,266	33.33%
2019/2020	91,764,231	39,908,278	51,855,953	51,748,694	56.39%	99.79%	15,479,694	29.85%

Data provided for General Fund, Parks & Recreation, Cumulative Capital Development, and Park Bond; excludes College Football Hall of Fame and Tax Increment Financing Funds.

Total collections may exceed 100% of adjusted tax levy as prior year collections are not broken out separately by the St. Joseph County Auditor.

Sources:

- (1) Department of Local Government Finance Certified Budget Orders (<https://www.in.gov/dlgf/county-specific-information/st-joseph/>)
- (2) St. Joseph County Circuit Breaker Report (<https://www.in.gov/dlgf/county-specific-information/st-joseph/>)
- (3) Baker Tilly Municipal Advisors - Annual Information for Continuing Disclosure Compliance
- (4) Indiana Gateway Abstract Reports: Total Taxes Summary Report (https://gateway.ifionline.org/report_builder/)

Delinquent taxes 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 by dividing South Bend's total direct tax rate by the total tax rate for Portage Township and then by multiplying it by the amount of delinquent taxes reported for Portage Township.

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 (1)					Total Portage Township	
	General Fund	Parks/ Recreation	Park Bond	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (2)		Total Overlapping
2010/2011	2.4381	0.4818	-	0.0342	2.7279	0.5424	1.2211	0.0438	0.3027	0.1958	2.3058	5.0337
2011/2012	2.4954	0.4957	-	0.0328	2.9541	0.6212	1.1931	0.0464	0.2941	0.1817	2.3365	5.2906
2012/2013	2.5678	0.5102	-	0.0328	3.0239	0.6731	1.3493	0.0453	0.3227	0.1971	2.5875	5.6114
2013/2014	2.7977	0.5608	-	0.0328	3.1108	0.7058	1.3577	0.0505	0.3309	0.1849	2.6298	5.7406
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	0.5300	0.3372	0.1822	2.9493	6.4661
2017/2018	2.8267	0.6651	0.0293	0.0303	3.5514	0.6908	1.1685	0.5389	0.3309	0.1907	2.9198	6.4712
2018/2019	2.8140	0.6621	0.0461	0.0300	3.5522	0.6640	1.1312	0.0522	0.3278	0.1518	2.3270	5.8792
2019/2020	2.6687	0.6279	0.0405	0.0285	3.3656	0.6783	1.0414	0.0502	0.3196	0.1548	2.2443	5.6099

(1) 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.

(2) Includes South Bend Transportation and South Bend Regional Airport. Previously included South Bend Redevelopment Commission Debt Exempt from Circuit Breaker, final year 2017/2018.

Source: Department of Local Government Finance Certified Budget Orders (<https://www.in.gov/dlgef/county-specific-information/st-joseph/>)

Detail of Net Assessed Valuation
(Assessment For the Year 2019 Payable in 2020)

	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
Gross value of land	\$ 133,627,700	\$ 29,345,300	\$ 87,310,000	\$ 17,755,800	\$ 988,300	\$ 462,305,695	\$ 731,332,795	
Value of improvements	552,408,800	124,753,100	493,764,800	106,732,400	23,230,200	3,082,022,405	4,382,911,705	
Total value of real estate	686,036,500	154,098,400	581,074,800	124,488,200	24,218,500	3,544,328,100	5,114,244,500	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(266,157,971)	(36,751,464)	(102,072,006)	(37,479,451)	-	(1,103,493,891)	(1,545,954,783)	
Investment deductions	-	-	-	-	-	(2,181,846)	(2,181,846)	
Tax-exempt property	(49,268,960)	(9,639,804)	(28,537,560)	(9,165,100)	-	(367,736,143)	(464,347,567)	
Tax increment financing (1)	(58,635,469)	(1,113,400)	(273,372,052)	-	(24,218,500)	(518,775,783)	(876,115,204)	
Tax abatements	(3,732,325)	-	(44,887,724)	(2,545,920)	-	(40,057,217)	(91,223,186)	
Net value of real estate	308,241,775	106,593,732	132,205,458	75,297,729	-	1,512,083,220	2,134,421,914	77.03%
Gross personal property assessments	34,049,440	9,233,810	209,492,510	3,977,590	8,571,780	381,596,464	646,921,594	
Less: Investment deductions	(568,360)	-	(12,723,255)	-	-	(18,826,372)	(32,117,987)	
Tax-exempt property	(2,299,529)	(127,800)	(6,283,697)	(2,374,490)	-	(89,038,104)	(100,123,620)	
Net value of personal property	31,181,551	9,106,010	190,485,558	1,603,100	8,571,780	273,731,988	514,679,987	18.57%
Net value of utilities	20,972,190	7,053,000	25,724,410	1,192,960	114,200	66,778,020	121,834,780	4.40%
Total net assessed valuation	\$ 360,395,516	\$ 122,752,742	\$ 348,415,426	\$ 78,093,789	\$ 8,685,980	\$ 1,852,593,228	\$ 2,770,936,681	100.00%
Percentage of Total	13.01%	4.43%	12.57%	2.82%	0.31%	66.86%	100.00%	

Summary:	Personal		Total	Percent
	Real Property	Property/Utilities		
Total value	\$ 5,114,244,500	\$ 768,756,374	\$ 5,883,000,874	100.00%
Exemptions & deductions	(1,548,136,629)	(32,117,987)	(1,580,254,616)	-26.86%
Tax exempt property	(464,347,567)	(100,123,620)	(564,471,187)	-9.59%
Tax increment financing (1)	(876,115,204)	-	(876,115,204)	-14.89%
Tax abatements	(91,223,186)	-	(91,223,186)	-1.55%
Total net assessed valuation	\$ 2,134,421,914	\$ 636,514,767	\$ 2,770,936,681	47.10%
Percentage of Total	77.03%	22.97%	100.00%	

(1) Tax Increment Financing data from Indiana Department of Local Government Finance Gateway County Abstract Reports

Source: St. Joseph County Auditor's Office

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values				Less: Non-Taxed Property (1)	Total Net Taxable Value	(2) City Tax Rate	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value				
2010/2011	4,339,037,300	551,819,290	101,009,760	4,991,866,350	(2,667,414,488)	2,324,451,862	2.7279	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	2.9541	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	3.0239	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	3.1108	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%
2017/2018	4,450,601,385	651,845,663	93,615,540	5,196,062,588	(2,779,605,371)	2,416,457,217	3.5514	46.51%
2018/2019	4,899,699,000	634,665,170	105,339,300	5,639,703,470	(3,068,693,472)	2,571,009,998	3.5522	45.59%
2019/2020	5,114,244,500	646,921,594	121,834,780	5,883,000,874	(3,112,064,193)	2,770,936,681	3.3656	47.10%

(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
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%
2017/2018	1,831,929,345	490,912,332	93,615,540	2,416,457,217	3.82%
2018/2019	1,969,190,797	496,479,901	105,339,300	2,571,009,998	6.40%
2019/2020	2,134,421,914	514,679,987	121,834,780	2,770,936,681	7.78%

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
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
2017/2018	5,196,062,588	(1,427,692,210)	(553,655,834)	(747,216,585)	(51,040,742)	2,416,457,217
2018/2019	5,639,703,470	(1,455,171,383)	(740,085,791)	(806,734,955)	(66,701,343)	2,571,009,998
2019/2020	5,883,000,874	(1,580,254,616)	(564,471,187)	(876,115,204)	(91,223,186)	2,770,936,681

(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.

Deductions	2016/2017	2017/2018	2018/2019	2019/2020
Homestead Standard Deduction	\$ 828,638,094	\$ 842,461,563	\$ 852,193,020	\$ 904,481,400
Supplemental Standard Deduction	400,306,547	435,967,478	480,027,204	560,654,768
Mortgage Deduction	40,717,260	40,183,948	39,031,742	38,098,290
Age 65 and Over Deduction	23,876,138	23,373,704	22,474,117	22,391,995
Veteran's Deduction	11,986,495	12,815,878	13,046,591	13,847,494
Blind & Disabled	5,646,155	5,567,847	5,353,196	5,982,136
Energy Systems Deduction	396,600	421,500	472,100	474,200
Heritage Barn Deduction	10,000	23,900	24,500	24,500
Fertilizer/Pesticide Deduction	114,555	-	-	-
Investment Deduction	23,152,793	66,876,392	42,548,913	34,299,833
Total	\$ 1,334,844,637	\$1,427,692,210	\$1,455,171,383	\$1,580,254,616

Source: St. Joseph County Auditor's Office

Property Tax Collections - Cash Basis

Last Ten Fiscal Years

Fund Name	Fund Number	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
General Fund	101	\$38,514,550	\$39,368,431	\$36,251,397	\$36,708,989	\$37,349,387	\$39,362,139	\$39,568,076	\$40,719,333	\$42,705,987	\$40,660,123
Excess Levy	103	-	-	-	3,648	-	-	-	-	-	-
Parks & Recreation	201	7,613,760	7,824,056	7,207,060	7,365,388	7,487,554	7,902,995	9,033,731	9,591,899	10,048,047	9,566,845
Park Bond (2017 Parks Bond Debt Service)	312	-	-	-	-	-	-	-	703,118	1,166,972	1,087,915
College Football Hall of Fame Debt Service	313	1,549,954	1,133,205	1,268,179	497,768	906,263	1,361,512	820,071	426,604	-	-
River West TIF District (2)	324	11,187,768	11,631,287	13,340,354	14,284,734	16,293,240	18,159,311	17,259,902	18,662,835	18,555,308	16,814,400
Cumulative Capital Development	406	540,454	517,710	463,331	430,786	428,727	440,887	436,823	436,677	455,002	433,812
South Bend Central Development Area TIF (2)	420	3,633,473	3,671,478	2,590,808	4,309,727	-	-	-	-	-	-
West Washington Street TIF District	422	431,085	422,715	493,608	580,987	402,911	453,503	378,994	332,220	261,830	237,261
Central Medical Service Area TIF District (2)	426	1,704,238	1,606,915	1,221,676	851,211	-	-	-	-	-	-
River East (Northeast) TIF District	429	715,063	1,351,048	841,627	1,568,240	2,421,308	2,348,608	2,630,887	3,062,820	2,722,642	2,997,091
Southside Development Area TIF District	430	1,808,952	2,466,203	2,404,416	2,379,212	2,205,822	2,401,252	2,365,692	2,166,637	1,755,231	3,081,721
Erskine Commons TIF District (1)	431	784,373	-	-	-	-	-	-	-	-	-
Erskine Village TIF District	432	1,603,182	-	1,311,129	9,175	19,183	-	-	-	-	-
Douglas Road TIF District	435	306,053	285,713	323,939	321,895	270,758	345,262	379,255	-	-	-
River East (Northeast) Residential TIF	436	2,446,103	2,514,048	2,262,765	2,725,909	3,129,681	3,932,947	4,262,917	4,686,651	4,933,558	5,308,975
Airport Urban Enterprise	454	123,165	111,721	-	-	-	-	-	-	-	-
Total		\$72,962,173	\$72,904,530	\$69,980,289	\$72,037,669	\$70,914,834	\$76,708,415	\$77,136,348	\$80,788,794	\$82,604,579	\$80,188,143

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

(2) Name changed in 2015 from TIF Airport to River West TIF due to consolidation of Central Development Area and Central Medical TIFs.

Source: City of South Bend Accounting Records

Circuit Breaker Property Tax Cap Credits

Fiscal Year 2020

Selected Benchmark Local Governments:

Local Unit	Total Credits	2011 Population	Per Capita Credits
South Bend Civil City	\$ 45,820,397	102,026	\$ 449
Anderson Civil City	15,937,858	56,120	284
East Chicago Civil City	6,870,151	29,698	231
Elkhart Civil City	11,545,630	50,949	227
Evansville Civil City	17,262,777	117,429	147
Fort Wayne Civil City	22,163,370	253,691	87
Gary Civil City	53,961,130	80,294	672
Goshen Civil City	3,256,137	31,719	103
Hammond Civil City	13,018,317	80,830	161
Jeffersonville Civil City	6,199,177	44,953	138
Kokomo Civil City	12,426,651	45,468	273
Lafayette Civil City	3,045,691	61,140	50
LaPorte Civil City	3,541,579	22,053	161
Mishawka Civil City	7,807,835	48,252	162
Muncie Civil City	19,765,340	70,085	282
Noblesville Civil City	5,571,281	51,969	107
Saint Joseph County	15,359,860	266,931	58
South Bend School Corporation	9,315,734	101,168	92
Terre Haute Civil City	15,104,467	60,785	248

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:

Department of Local Governmental Finance 2020 Estimated Property Tax Cap Impact Report
 (<https://www.in.gov/dlgef/county-specific-information/>)

U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>).

Principal Property Taxpayers - Current and Nine Years Ago

December 31, 2020

Taxpayer	Type of Business	2019/pay 2020 Net Assessed Value (1)	Rank	Percent of Total	2010/pay 2011 Net Assessed Value (2)	Rank	Percent of Total
University of Notre Dame	Higher Education	\$ 74,038,193	1	2.67%	\$ 61,529,837	2	2.65%
Indiana Michigan Power Company	Utility	69,407,150	2	2.50%	-		
Honeywell International, Inc/ Bendix Corp.	Manufacturing	47,202,386	3	1.70%	-		0.00%
Steel Warehouse Co., Inc./ Lock Joint Tube LLC	Steel processing	38,850,661	4	1.40%	-		
Edward Rose of Indiana	Apartments & Real Estate	37,666,940	5	1.36%	58,467,300	3	2.52%
Federal-Mogul Powertrain Systems	Manufacturing	33,843,490	6	1.22%	6,843,000	10	0.29%
Indiana Bell Telephone Co, Inc./ AT&T Services, Inc.	Telecommunications utility	28,736,650	7	1.04%	-		0.00%
JVE Investments LLC/ The Tire Rack, Inc.	Tire sales	26,081,890	8	0.94%	-		0.00%
Eddy Property Development, Inc./ South Bend Clinic LL	Healthcare clinic	24,186,390	9	0.87%	-		0.00%
Walmart	Retail stores	19,453,080	10	0.70%	50,670,900	4	2.18%
Memorial Health Systems, Inc. (Beacon)	Health Care	-		0.00%	82,771,750	1	3.56%
Park Jefferson Realty, LLC	Apartments & Real Estate	-		0.00%	32,950,000	5	1.42%
Lowe's Home Center	Retail Stores	-		0.00%	23,117,400	6	0.99%
KSK Scottsdale Mall	Retail Stores	-		0.00%	22,183,300	7	0.95%
Maple Lane Apartments	Apartments & Real Estate	-		0.00%	15,033,500	8	0.65%
Meijer	Retail Stores	-		0.00%	13,994,100	9	0.60%
Total Net Assessed Value - Ten Largest Taxpayers		\$ 399,466,830		14.42%	\$ 367,561,087		15.81%
Total Net Assessed Value (3)		\$2,770,936,681		100.00%	\$2,324,451,862		100.00%

Sources:

- (1) Baker Tilly Municipal Advisors - Annual Information for Continuing Disclosure Compliance
- (2) 2011 Comprehensive Annual Financial Report
- (3) St. Joseph County Auditor

Local Income Tax Revenue
Economic Development Income Tax (EDIT)

Last Ten Years

Distribution Year		EDIT Tax Rate (1)	Total County Distributions	Rate of Growth	South Bend Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2011	(2)	0.40%	18,826,685		7,300,866		38.78%	7,300,866
2012	(3)	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%	9,031,709	2.67%	39.13%	9,031,709
2016		0.40%	23,733,626	2.83%	9,594,602	6.23%	40.43%	9,594,602
2017		0.40%	26,149,949	10.18%	10,433,361	8.74%	39.90%	10,433,361
2018	(4)	0.40%	26,745,547	2.28%	10,720,959	2.76%	40.09%	11,885,489
2019	(5)	0.40%	28,586,914	6.88%	11,597,226	8.17%	40.57%	12,474,651
2020	(6)	0.40%	<u>28,744,062</u>	0.55%	<u>12,123,599</u>	4.54%	42.18%	<u>13,405,714</u>
Total			<u>\$ 236,191,594</u>		<u>\$ 96,101,121</u>		40.69%	<u>\$ 100,169,350</u>

(1) This tax was first enacted as of July 1, 1995 at the rate of 0.1% of City residents' adjusted gross income. The rate was increased to 0.2% effective July 1, 1997. The EDIT tax rate for 2010 and subsequent years was increased by City of South Bend Common Council and the Saint Joseph County Common Council.

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

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

(4) The City's 2018 EDIT distribution included \$1,164,530 of supplemental, one-time distributions.

(5) The City's 2019 EDIT distribution included \$877,425 of supplemental, one-time distributions.

(6) The City's 2020 EDIT distribution included \$1,282,115 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance EDIT Distribution Reports
City of South Bend Accounting Records (EDIT Fund #408)

Local Income Tax Revenue
County Option Income Tax (COIT)

Last Ten Years

Distribution Year		COIT Tax Rate (1)	Total County Distributions	Rate of Growth	South Bend Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2011	(2)	0.60%	19,907,430		6,458,586		32.44%	6,928,620
2012	(3)	0.60%	22,536,457	-20.84%	7,507,631	16.24%	33.31%	8,404,117
2013		0.60%	22,923,958	13.21%	7,846,939	4.52%	34.23%	7,711,609
2014		0.60%	25,275,541	1.72%	8,645,811	10.18%	34.21%	8,483,839
2015		0.60%	26,435,155	10.26%	8,859,912	2.48%	33.52%	8,754,940
2016		0.60%	27,898,910	4.59%	9,454,023	6.71%	33.89%	9,275,956
2017		0.60%	31,321,416	5.54%	10,459,265	10.63%	33.39%	10,267,404
2018	(4)	0.60%	31,947,819	12.27%	12,188,922	16.54%	38.15%	12,213,073
2019	(5)	0.60%	35,539,674	2.00%	12,148,294	-0.33%	34.18%	12,879,847
2020	(6)	0.60%	35,901,334	1.02%	12,440,774	2.41%	34.65%	13,764,809
Total			\$ 279,687,694		\$ 96,010,157		34.33%	\$ 98,684,214

(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 \$896,487, the amount the State of Indiana underpaid the City in 2011.

(4) The City's 2018 COIT distribution included \$1,407,558 of supplemental, one-time distributions.

(5) The City's 2019 COIT distribution included \$731,553 of supplemental, one-time distributions.

(6) The City's 2020 COIT distribution included \$1,324,035 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance COIT Distribution Reports
City of South Bend Accounting Records (COIT Fund #404)

Local Income Tax Revenue
Public Safety Local Option Income Tax (PS LOIT)

Last Ten Years

Distribution Year		PS LOIT Tax Rate (1)	Total County Distributions	Rate of Growth	South Bend Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2011	(2)	0.25%	11,371,882		5,293,619		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%	15,673,247	10.08%	7,467,618	9.96%	47.65%	7,467,618
2018	(4)	0.25%	15,986,699	2.00%	8,487,336	13.66%	53.09%	8,487,336
2019	(5)	0.25%	17,784,064	11.24%	8,560,555	0.86%	48.14%	9,205,130
2020	(6)	0.25%	17,965,039	1.02%	8,766,330	2.40%	48.80%	9,703,297
Total			\$ 143,332,682		\$ 70,161,527		48.95%	\$ 72,292,366

(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.

(4) The City's 2018 PS LOIT distribution included \$105,782 of supplemental, one-time distributions.

(5) The City's 2019 PS LOIT distribution included \$644,575 of supplemental, one-time distributions.

(6) The City's 2020 PS LOIT distribution included \$936,967 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance PS LOIT Distribution Reports
City of South Bend Accounting Records (PS LOIT Fund #249)

Total County Income Tax Distributions by Taxing Unit

Last Ten Years

Unit of Government	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total County Certified Distribution	\$27,292,516	\$29,898,874	\$29,898,874	\$32,344,207	\$32,962,518	\$34,170,664	\$37,640,869	\$38,393,656	\$42,710,208	\$43,144,837
Less: Homestead Credit (1)	(7,385,086)	(7,362,417)	(6,974,918)	(7,068,666)	(6,527,363)	(6,271,754)	(6,319,453)	(6,445,837)	(7,170,534)	(7,243,503)
Total Distributive Shares	\$25,147,806	\$19,907,430	\$22,536,457	\$22,923,956	\$26,435,155	\$27,898,910	\$31,321,416	\$31,947,819	\$35,539,674	\$35,901,334
Distributive Shares/Total County Distributic	75.68%	72.94%	75.38%	76.67%	80.20%	81.65%	83.21%	83.21%	83.21%	83.21%
Amount										
St. Joseph County	\$ 7,383,180	\$ 7,986,750	\$ 8,460,192	\$ 9,314,201	\$ 9,611,416	\$ 9,983,016	\$10,908,099	11,290,728	12,351,986	12,279,480
Townships	1,054,827	1,244,481	954,332	1,069,408	1,541,211	1,695,662	2,396,851	1,978,069	3,506,429	2,175,833
City of South Bend - Civil City	6,304,224	7,511,976	7,711,609	8,483,839	8,754,940	9,275,956	10,267,284	10,781,364	12,148,294	12,440,774
City of South Bend - Redevelopment	154,363	184,790	135,330	161,972	104,972	178,067	191,981	124,929	70,356	8,775
Other Cities & Towns	2,667,400	3,077,335	3,137,086	3,378,481	3,508,422	3,683,131	4,118,009	4,317,405	4,868,878	4,982,004
Libraries	1,762,365	1,879,376	1,849,933	2,126,185	2,144,046	2,279,241	2,541,672	2,569,360	2,889,567	2,927,273
Special Districts	581,071	651,749	675,474	741,455	770,148	803,837	897,520	885,964	1,054,424	1,087,195
Total	\$25,147,806	\$19,907,430	\$22,536,457	\$22,923,956	\$26,435,155	\$27,898,910	\$31,321,416	\$31,947,819	\$36,889,934	\$35,901,334
Percentage of Distribution										
St. Joseph County	37.09%	35.44%	36.91%	40.63%	36.36%	35.78%	34.83%	35.34%	33.48%	34.20%
Townships	5.30%	5.52%	4.16%	4.67%	5.83%	6.08%	7.65%	6.19%	9.51%	6.06%
City of South Bend - Civil City	31.67%	33.33%	33.64%	37.01%	33.12%	33.25%	32.78%	33.75%	32.93%	34.65%
City of South Bend - Redevelopment	0.78%	0.82%	0.59%	0.71%	0.40%	0.64%	0.61%	0.39%	0.19%	0.02%
Other Cities & Towns	13.40%	13.65%	13.68%	14.74%	13.27%	13.20%	13.15%	13.51%	13.20%	13.88%
Libraries	8.85%	8.34%	8.07%	9.27%	8.11%	8.17%	8.11%	8.04%	7.83%	8.15%
Special Districts	2.91%	2.90%	2.95%	3.23%	2.91%	2.88%	2.87%	2.77%	2.86%	3.03%
Total	100.00%	100.00%	100.00%	110.26%	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, 2020

Name	2020 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	197,479	0.97%	101,001
Memorial Hospital of South Bend	165,182	0.81%	101,875
Irish Hills Apartments	120,641	0.59%	69,809
Indiana University South Bend	112,197	0.55%	55,235
Housing Authority of South Bend	95,841	0.47%	42,473
Honeywell Aerospace Company	92,660	0.45%	34,524
Indian Springs Apartments and Townhomes	88,014	0.43%	47,398
Holy Cross Care Services	54,257	0.27%	36,318
McCormick & Company	53,692	0.26%	42,412
Aramark Uniform Services	52,586	0.26%	45,956
Total of Ten Largest Water Customers	<u>\$ 1,032,549</u>	5.06%	
Total for Operating Revenue for Water Works	<u>\$ 20,406,057</u>	100.00%	

* Hundreds of Cubic Feet

Source: City of South Bend Water Utility

Ten Largest Sewage Works Customers

December 31, 2020

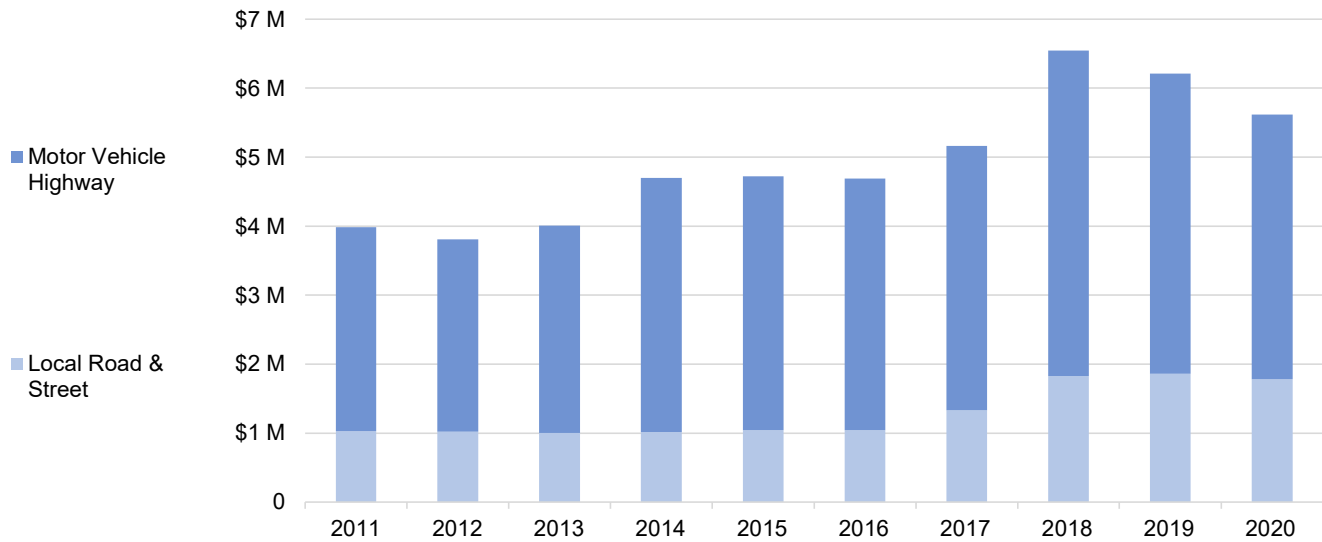
Name	Metered Revenue	Heavy Demand Surcharge	2020 Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/NTEK Plant	\$2,146,214	\$ -	\$ 2,146,214	5.28%	745,567
University of Notre Dame	1,273,346	-	1,273,346	3.14%	504,709
Noble Americas South Bend Ethanol	1,321,908	-	1,321,908	3.25%	334,787
Memorial Hospital	428,198	-	428,198	1.05%	88,636
South Bend Community School Corp	395,539	-	395,539	0.97%	74,133
Town of New Carlisle	289,172	-	289,172	0.71%	82,468
Irish Hills Apartments	243,827	-	243,827	0.60%	60,155
Housing Authority of South Bend	235,091	-	235,091	0.58%	27,739
Alliedsignal Aerospace Co	232,509	-	232,509	0.57%	32,418
Indian Springs	226,294	-	226,294	0.56%	39,591
Total of Ten Largest Sewer Customers	<u>\$6,792,098</u>	<u>\$ -</u>	<u>\$ 6,792,098</u>	16.72%	
Total Operating Revenue for Wastewater			<u>\$40,616,333</u>		

*Hundreds of Cubic Feet

Source: City of South Bend Sewage Works Utility

Gasoline Tax Collections - Cash Basis

Last Ten Fiscal Years



Year	Local Road & Street Fund	Motor Vehicle Highway Fund	Total Gasoline Tax	% Change
2011	1,030,958	2,951,072	3,982,030	
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%
2018	1,827,580	4,717,972	6,545,552	26.76%
2019	1,858,579	4,352,316	6,210,894	-5.11%
2020	1,919,245	3,838,489	5,757,734	-7.30%

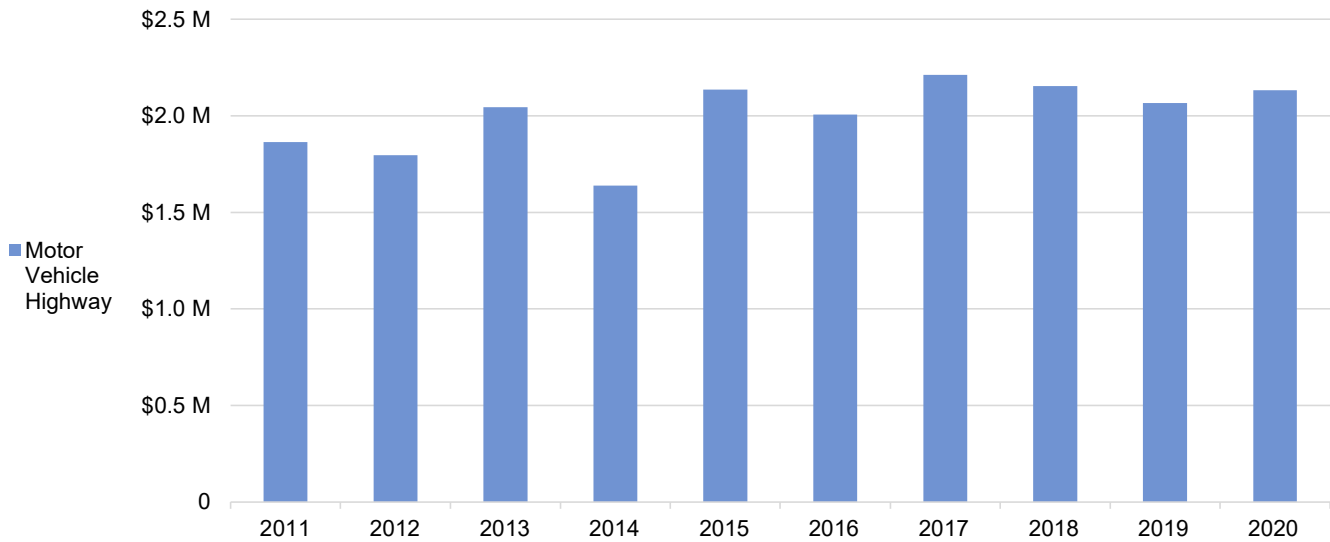
Distributions of gas tax revenue are made monthly by the Indiana Department of Revenue to the Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) funds for use in construction and maintenance of streets and highways. Distributions are based on a complex formula developed by the State of Indiana. The formula takes into account population, road and street mileage and other factors.

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 fairly consistent until 2017, the Indiana General Assembly passed legislation to increase the gas tax. However, after raising the tax, the State revised its distribution formula to keep more funds at the state-level, resulting in a decrease in distributions to local governments starting in 2019. Gas tax revenue continued to decline in 2020 because travel and transportation decreased due to the COVID-19 pandemic.

Source: City of South Bend Accounting Records

Wheel and Excise Surtax Collections - Cash Basis

Last Ten Fiscal Years



Year	Motor Vehicle Highway Fund	% Change
2011	1,863,283	
2012	1,795,538	-3.64%
2013	2,045,213	13.91%
2014	1,637,707	-19.92%
2015 (1)	2,135,441	30.39%
2016	2,006,547	-6.04%
2017	2,211,731	10.23%
2018	2,152,758	-2.67%
2019	2,065,786	-4.04%
2020	2,131,825	3.20%

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.)

During 2004-2007, the City of South Bend deposited the wheel tax and excise surtax in the Local Roads & Streets Fund. Starting in 2008, the Indiana State Board of Accounts (SBOA) required that the taxes be deposited into the Motor Vehicle Highway Fund. Starting in 2019, the SBOA required that the tax revenue be split 50/50 between the Motor Vehicle Highway Fund and a new MVH Restricted Fund.

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.

(1) 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

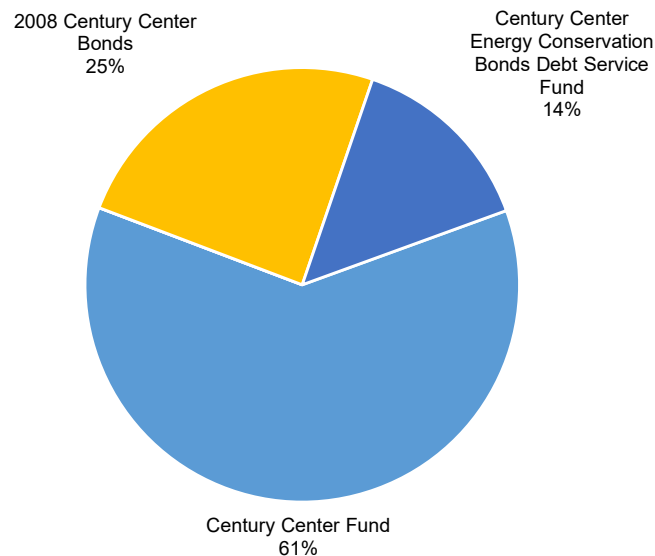
Year	-----Paid to City of South Bend-----					Subtotal: Paid to City of South Bend	---Direct Payments---		Total Hotel/ Motel Tax	% Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Century Center Energy Conserv. Debt Service		Other Century Center Projects			
2010	1,313,152	521,800	150,000	399,000	-	2,383,952	97,000	2,480,952		
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%	
2018	1,275,000	-	-	395,000	221,437	1,891,437	687,192	2,578,629	8.99%	
2019	1,275,000	-	-	395,000	235,000	1,905,000	1,292,506	3,197,506	24.00%	
2020	956,250	-	-	381,500	221,437	1,559,187	1,220,953	2,780,140	-13.05%	

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

The hotel/motel tax was enacted in 1973. The current tax rate of 6% has been in effect since 1994. 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.

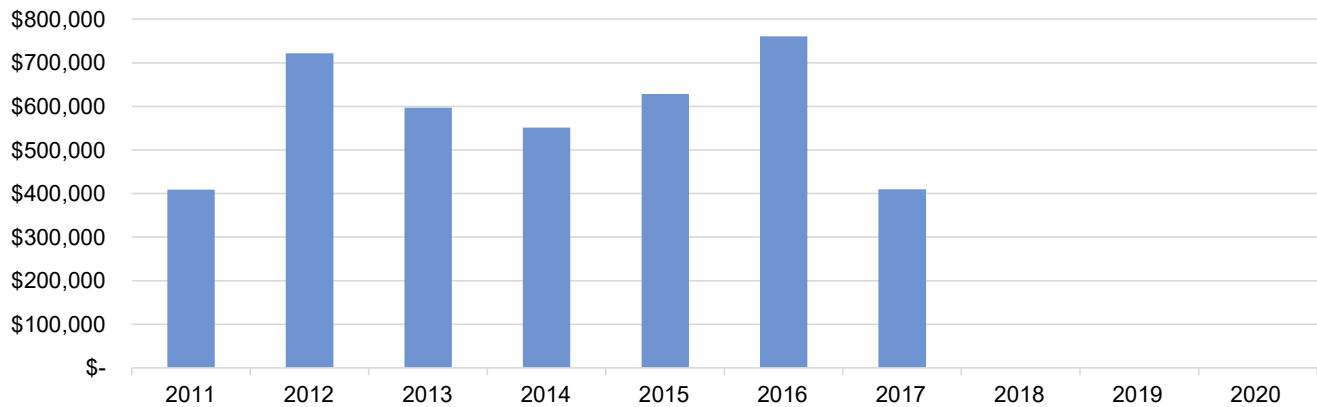
Proceeds from the hotel/motel tax fund are budgeted and distributed annually to important economic development and tourism projects in the County. South Bend receives distributions for the operations, maintenance, and debt service of Century Center (convention center). Distributions to the Cumulative Capital Improvement fund were used for the repayment of the 1994 Century Center Bonds. Distributions to the River West Tax Increment Financing fund (starting in 2015, SCBDA General fund prior) are used for the repayment of the 2008 Century Center Bonds. Distributions to the Century Center Debt Service fund are used for repayment of the 2015 Energy Conservation Bonds which were 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 to all organizations was \$4,121,696 during 2020. The cash balance in the County Hotel/Motel Tax Fund was \$4,194,160 at December 31, 2020.



Professional Sports Development (PSDA) Tax - Cash Basis

Last Ten Fiscal Years



Year	Total PSDA Tax	% Change
2011	409,020	
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%
2018	-	0.00%
2019	-	0.00%
2020	-	0.00%

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 City expects one more payment of PSDA tax to be received in 2019.

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

Cable Television Franchise Fee Collections - Cash Basis

Last Ten Years

Year	Comcast	AT&T	Total Franchise Fees	% Change
2011	677,949	176,586	948,286	
2012	691,586	192,621	854,535	-9.89%
2013	736,071	191,529	884,207	3.47%
2014	717,156	238,309	927,600	4.91%
2015	723,676	281,873	955,465	3.00%
2016	749,565	256,611	1,005,549	5.24%
2017	771,128	156,394	1,006,176	0.06%
2018	714,471	226,562	941,033	-6.47%
2019	707,836	132,332	840,169	-10.72%
2020	678,238	255,861	934,099	11.18%

Pursuant to Indiana State law, the City of South Bend receives video franchise fees in the amount of 5% of gross revenue for cable operations in the City. The payments are made to the City on a quarterly basis. The franchise agreement with Comcast was effective October 19, 1998 and the franchise agreement with AT&T was effective January 1, 2009.

The video franchise fee revenue is deposited in the General Fund and is used for general operating costs. A portion of the proceeds (\$43,000) are spent on support of the local public access channel.

Under Indiana State law, the City is required to submit an Annual Franchise Fee Report (State Form 55122) summarizing franchise fee revenue received during the year and the purpose for which the revenue was expended. The report must be file with the Indiana Utility Regulatory Commission by March 1st of the following year.

Source: City of South Bend Accounting Records

Debt Capacity

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

Computation of Legal Debt Margin

December 31, 2020

Civil City

Net Assessed Valuation (2019 pay 2020) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Economic Development Income Tax Bonds of 2015 (Parks Bond)	(4,535,000)
Economic Development Income Tax Bonds, Series 2018 (Zoo Bond)	(3,175,000)
General Obligation Bonds, Series 2018 (Fire Station #9)	<u>(4,605,000)</u>
Issuance Margin	<u>\$ 5,861,894</u>
Percentage of Debt to Debt Limit	67.75%

Park District

Net Assessed Valuation (2019 pay 2020) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Park District Bonds, Series 2017 (A-K)	<u>(12,170,000)</u>
Issuance Margin	<u>\$ 6,006,894</u>
Percentage of Debt to Debt Limit	66.95%

Redevelopment District

Net Assessed Valuation (2019 pay 2020) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Special Taxing District Refunding Bonds of 2014	(470,000)
Redevelopment District Bonds, Series 2018 (TIF Parks Bond)	<u>(10,255,000)</u>
Issuance Margin	<u>\$ 7,451,894</u>
Percentage of Debt to Debt Limit	59.00%

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.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Civil City										
Debt Limit (1)	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,036,190	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	8,910,000	7,650,000	6,335,000	4,970,000	7,270,000	5,835,000	5,190,000	13,390,000	12,900,000	12,315,000
Debt Margin	6,585,323	7,949,467	9,244,379	9,761,511	7,798,462	9,346,132	10,919,715	2,646,190	3,755,845	5,861,894
Percentage of Debt Limit	57.50%	49.04%	40.66%	33.74%	48.25%	38.44%	32.22%	83.50%	77.45%	67.75%
Park District										
Debt Limit (1)	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,036,190	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	-	-	-	-	-	-	14,075,000	13,725,000	12,955,000	12,170,000
Debt Margin	15,495,323	15,599,467	15,579,379	14,731,511	15,068,462	15,181,132	2,034,715	2,311,190	3,700,845	6,006,894
Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	87.37%	85.59%	77.78%	66.95%
Redevelopment District										
Debt Limit (1)	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,036,190	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	4,085,000	4,085,001	3,405,000	3,010,000	2,615,000	2,210,000	1,795,000	12,955,000	11,855,000	10,725,000
Debt Margin	11,410,323	11,514,466	12,174,379	11,721,511	12,453,462	12,971,132	14,314,715	3,081,190	4,800,845	7,451,894
Percentage of Debt Limit	26.36%	26.19%	21.86%	20.43%	17.35%	14.56%	11.14%	80.79%	71.18%	59.00%

(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.

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

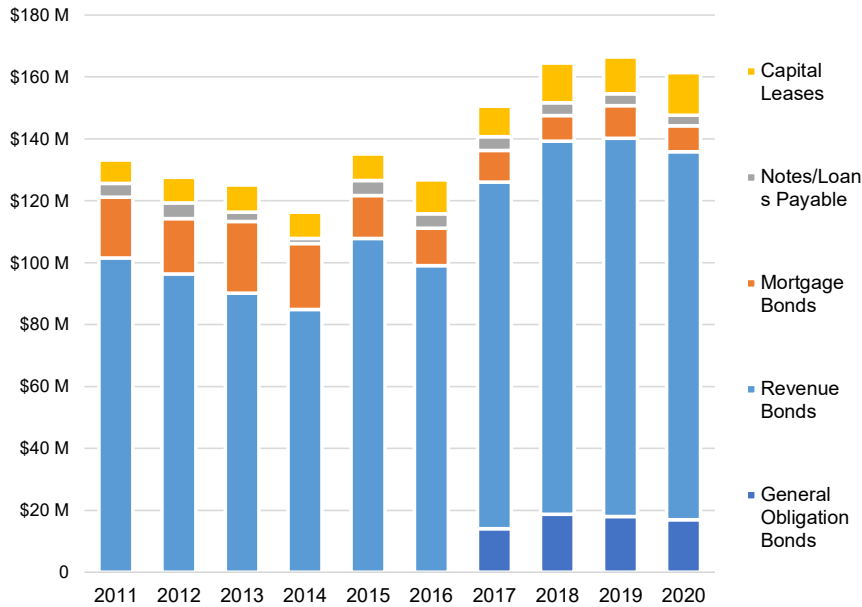
Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population (1)	Debt Per Capita	South Bend Estimated Personal Income (2)	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
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	3,505,572,368	6.82%
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	3,371,120,096	7.03%
2017	14,081,478	111,887,531	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%
2018	18,737,645	120,483,913	8,300,854	4,108,822	12,832,195	80,178,104	4,951,979	2,231,783	7,994,705	259,820,000	101,168	2,568	3,492,622,864	7.44%
2019	18,010,537	122,084,649	10,659,268	3,761,150	11,959,268	71,235,075	120,368	2,016,089	4,763,272	244,609,677	101,168	2,418	3,492,622,864	7.00%
2020	17,005,155	118,820,313	8,389,572	3,405,904	13,712,755	64,329,826	40,771	1,816,433	3,113,163	230,633,892	101,168	2,280	3,492,622,864	6.60%
Percent of total debt	7.37%	51.52%	3.64%	1.48%	5.95%	27.89%	0.02%	0.79%	1.35%	100.00%				

Sources: City of South Bend Comprehensive Annual Financial Reports

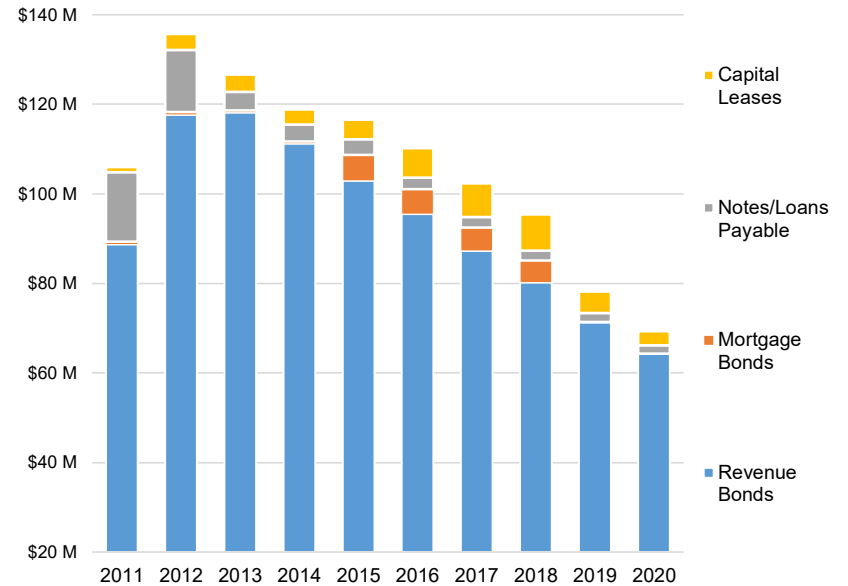
(1) U.S. Census Bureau, 2010 Census information

(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>)

Governmental Activities Debt



Business-Type Activities Debt



Computation of Direct and Overlapping Debt

December 31, 2020

	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
Direct Debt:						
City of South Bend (1)						
General Obligation Bonds	\$ 17,005,155	100.00%	\$ 17,005,155			
Revenue Bonds - Governmental Activities	118,820,313	100.00%	118,820,313			
Mortgage Bonds - Governmental Activities	8,389,572	100.00%	8,389,572			
Notes Payable - Governmental Activities	3,405,904	100.00%	3,405,904			
Capital Leases - Governmental Activities	13,712,755	100.00%	<u>13,712,755</u>			
Total Direct Debt and Lease Obligation Debt			<u>161,333,699</u>	\$ 1,595	5.92%	4.34%
Overlapping Debt (2)						
Tax Supported Debt:						
St. Joseph County	\$ 49,399,004	28.97%	\$ 14,310,891			
South Bend Community School Corporation	76,870,510	53.39%	41,041,165			
Penn-Harris-Madison School Corporation	45,469,866	2.55%	1,159,482			
Mishawaka-Penn-Harris Public Library	5,350,000	2.09%	111,815			
St. Joseph County Public Library	17,755,000	50.00%	8,877,500			
St. Joseph County Airport Authority	7,620,000	28.97%	<u>2,207,514</u>			
Total Tax Supported Debt			<u>67,708,367</u>			
Self-Supporting Revenue Debt:						
South Bend Public Transportation	216,641	63.83%	<u>138,282</u>			
Total Overlapping Debt			<u>\$ 67,846,649</u>	\$ 671	2.49%	1.83%
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 229,042,067</u>	<u>\$ 2,265</u>	8.41%	6.17%

Ratio Factors

Net Assessed Valuation (2019 payable 2020)	\$ 2,726,534,082
Population - 2010 Census (3)	101,168
South Bend Median Household Income 2016 (4)	36,711
Estimated South Bend Total Personal Income (3 x 4)	3,713,978,448

Sources:

(1) City of South Bend Comprehensive Annual Financial Report

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

Provided by Baker Tilly Municipal Advisors - Annual Information for Continuing Disclosure Compliance

(3) U.S. Census Bureau, 2010 Census information

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

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

**Last Ten Fiscal Years
December 31, 2020**

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
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%
2018	425,000	288,967	713,967	186,199,998	0.38%
2019	940,000	562,846	1,502,846	216,480,126	0.69%
2020	980,000	534,196	1,514,196	191,440,960	0.79%

Source: City of South Bend Comprehensive Annual Financial Reports

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 G.O. Bonded Debt To Net Assessed Value	Net G.O. Bonded Debt Per Capita
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	14,081,478	-	14,081,478	0.61%	139
2017/2018	101,168	2,416,457,221	18,737,645	-	18,737,645	0.78%	185
2018/2019	101,168	2,770,936,681	18,010,537	-	18,010,537	0.65%	178
2019/2020	101,168	2,726,534,082	17,005,155	-	17,005,155	0.62%	168

(1) U.S. Census Bureau, 2010 Census information

Source: City of South Bend Comprehensive Annual Financial Reports

Saint Joseph County Hotel/Motel Tax Board
Statement of Estimated Cash Flow and Debt Service Coverage

Year	Projected Unrestricted Hotel/Motel Tax Revenues	Annual Debt Service Payments		Total Annual Debt Service	Estimated Excess Funds	Estimated Coverage
		2013 Century Center Refunding Bonds	2015 Century Center Energy Conservation Bonds			
2021	3,167,269	397,000	285,614	682,614	2,484,655	463.99%
2022	3,293,959	396,500	291,274	687,774	2,606,185	478.93%
2023	3,425,718	395,000	297,175	692,175	2,733,543	494.92%
2024	3,459,975	394,500	303,221	697,721	2,762,254	495.90%
2025	3,494,575	396,000	309,315	705,315	2,789,260	495.46%
2026	3,529,521	283,500	315,561	599,061	2,930,460	589.18%
2027	3,564,816	84,500	321,964	406,464	3,158,352	877.03%
2028	3,600,464	-	328,529	328,529	3,271,935	1095.93%
2029	3,636,469	-	335,259	335,259	3,301,210	1084.67%
2030	3,672,833	-	342,159	342,159	3,330,674	1073.43%
2031	3,709,562	-	349,334	349,334	3,360,228	1061.90%
2032	3,746,657	-	-	-	3,746,657	n/a
2033	3,784,124	-	-	-	3,784,124	n/a
Total	\$ 46,085,940	\$ 2,347,000	\$ 3,479,405	\$ 5,826,405	\$ 40,259,535	

Sources:

St. Joseph County Hotel/Motel Tax Board financial reports

City of South Bend Accounting Records

Schedule of Revenue Bond Coverage
Water Utility Bonds

Last Ten Years

Year	Gross Operating Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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	977,113	623,226	1,600,339	188.06%
2017	15,283,325	11,421,026	3,862,299	1,606,652	623,909	2,230,561	173.15%
2018	16,767,283	11,766,084	5,001,199	394,873	319,700	714,573	699.89%
2019	20,787,828	13,420,538	7,367,290	6,885,735	925,031	7,810,767	94.32%
2020	21,536,290	13,194,357	8,341,933	1,058,099	442,037	1,500,136	556.08%

(1) Operating revenues used to make debt service payments is obtained primarily through monthly user charges to water customers.

(2) Operating expenses exclude depreciation.

Sources:

City of South Bend Comprehensive Annual Financial Reports

City of South Bend Accounting Records

Schedule of Revenue Bond Coverage
Wastewater Utility Bonds

Last Ten Years

Year	Gross Operating Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
				Principal	Interest	Total	
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%
2018	39,931,429	16,218,116	23,713,313	7,892,085	2,052,348	9,944,433	238.46%
2019	42,455,078	22,828,605	19,626,473	6,652,079	1,873,664	8,525,743	230.20%
2020	39,653,436	20,625,437	19,027,999	5,791,557	1,501,575	7,293,132	260.90%

(1) Operating revenues used to make debt service payments is obtained primarily through monthly user charges to sewer customers.

(2) Operating expenses exclude depreciation.

(3) Bonds were refunded in 2015 and the principal repayments are not included in the 2015 principal total.

Sources:

City of South Bend Comprehensive Annual Financial Reports

City of South Bend Accounting Records

Annual Wastewater Flow Data
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Capacity (MGD) *	48	48	48	48	48	48	48	48	48	48
Average Daily Flow (MGD)	35.80	31.77	30.69	32.00	30.20	43.87	35.80	38.47	37.73	31.87
Peak Flow (MGD)	72.50	63.70	62.50	68.50	57.70	67.80	62.40	71.00	71.20	71.70
Annual Flow (MG)	13,068	11,596	11,203	11,677	11,023	16,014	13,067	14,042	13,077	11,630

Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
2011	39,027
2012	39,068
2013	39,322
2014	39,461
2015	39,763
2016	40,073
2017	40,543
2018	40,679
2019	40,547
2020	41,154

Source: City of South Bend Utilities

* Short-term peak design capacity is 77 millions of gallons per day (MGD), actual long-term sustainable capacity is 48 MGD.

Statement of City-Owned Utility Debt

December 31, 2020

South Bend Municipal Wastewater Utility

Sewage Works State Revolving Fund (SRF) Loan of 2009	\$	1,571,844
Sewage Works Revenue Bonds of 2011		13,560,000
Sewage Works Revenue Bonds of 2012		16,540,000
Sewage Works Refunding Revenue Bonds of 2013A		2,785,000
Sewage Works Refunding Revenue Bonds of 2015		14,495,000
Sewage Works Refunding Revenue Bonds of 2020		<u>4,680,000</u>
Total Sewage Utility Debt		<u>53,631,844</u>

South Bend Municipal Water Utility

Water Works State Revolving Fund (SRF) Loan of 2009	\$	244,589
Water Works Refunding Revenue Bonds of 2012, Series B		835,000
Amended Water Works Revenue Bonds of 2009, Series B		2,814,257
Water Works Revenue Bonds of 2012		5,465,000
Water Works Refunding Revenue Bonds of 2016		<u>1,775,000</u>
Total Water Utility Debt		<u>11,133,846</u>

Total Utility Debt **\$ 64,765,690**

Source: City of South Bend Accounting Records

Estimated Debt Service Coverage Calculation
Wastewater Utility

December 31, 2020

Operating Revenues	\$	39,653,436
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(20,625,437)</u>
Net Revenues Available for Debt Service		19,027,999
Estimated Combined Annual Debt Service		<u>7,293,132</u>
Coverage - \$	\$	<u>11,734,867</u>
Coverage - %		260.90%

Estimated Debt Service Coverage Calculation
Water Utility

December 31, 2020

Operating Revenues	\$	21,536,290
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(13,194,357)</u>
Net Revenues Available for Debt Service		8,341,933
Estimated Combined Maximum Annual Debt Service		<u>1,500,136</u>
Coverage - \$	\$	<u>6,841,797</u>
Coverage - %		556.08%

City of South Bend, Indiana

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 County Option Income Tax (COIT) Revenue	Projected COIT Amount Available For Debt Service
2021	\$ 37,776,651	34.18%	\$ 12,912,855
2022	26,153,469	34.16%	8,933,585
2023	26,676,538	34.16%	9,112,257
2024	27,210,069	34.16%	9,294,502
2025	27,754,271	34.16%	9,480,392
2026	28,309,356	34.16%	9,670,000
2027	28,875,543	34.16%	9,863,400
2028	29,453,054	34.16%	10,060,668
2029	30,042,115	34.16%	10,261,881
2030	30,642,957	34.16%	10,467,119
		Total	\$ 100,056,657

Estimated 2% increase to distributions due to improving economic conditions.

Source: Department of Local Government Finance (DLGF)

Projected City of South Bend EDIT Revenue

0.4% EDIT Tax Rate

Levy is used to Distribute EDIT

Year of Collection	St. Joseph County Projected Distribution	Projected Economic Development Income Tax (EDIT) Revenue	Projected EDIT Amount Available For Debt Service
2021	\$ 30,245,517	41.61%	\$ 12,586,666
2022	29,091,734	41.47%	12,065,405
2023	29,673,569	41.47%	12,306,713
2024	30,267,040	41.47%	12,552,847
2025	30,872,381	41.47%	12,803,904
2026	31,489,828	41.47%	13,059,982
2027	32,119,625	41.47%	13,321,182
2028	32,762,018	41.47%	13,587,606
2029	33,417,258	41.47%	13,859,358
2030	34,085,603	41.47%	14,136,545
		Total	\$ 130,280,209

Estimated 2% increase to distributions due to improving economic conditions.

Source: Department of Local Government Finance (DLGF)

City of South Bend, Indiana

Projected City of South Bend PS LOIT Revenue

0.25% LOIT Tax Rate

Year of Collection	St. Joseph County Projected Distribution	Projected Public Safety Local Option Income Tax (PS LOIT) Revenue	Projected PS LOIT Amount Available For Debt Service
2021	\$ 18,903,448	48.11%	\$ 9,094,317
2022	18,182,334	47.88%	8,705,099
2023	18,545,981	47.88%	8,879,201
2024	18,916,900	47.88%	9,056,785
2025	19,295,238	47.88%	9,237,921
2026	19,681,143	47.88%	9,422,679
2027	20,074,766	47.88%	9,611,133
2028	20,476,261	47.88%	9,803,355
2029	20,885,786	47.88%	9,999,422
2030	21,303,502	47.88%	10,199,411
		Total	\$ 94,009,323

Estimated 2% increase to distributions due to improving economic conditions.

Source: Department of Local Government Finance (DLGF)

Statement of Estimated Cash Flow and Debt Service Coverage
County Option Income Tax (COIT)

Year	Projected City of South Bend COIT Revenues	Total Debt Payments	Estimated Excess Funds	Estimated Coverage
2021	\$ 12,912,855	\$ -	\$ 12,912,855	n/a
2022	8,933,585	-	8,933,585	n/a
2023	9,112,257	-	9,112,257	n/a
2024	9,294,502	-	9,294,502	n/a
2025	9,480,392	-	9,480,392	n/a
2026	9,670,000	-	9,670,000	n/a
2027	9,863,400	-	9,863,400	n/a
2028	10,060,668	-	10,060,668	n/a
2029	10,261,881	-	10,261,881	n/a
2030	10,467,119	-	10,467,119	n/a
2031	10,676,461	-	10,676,461	n/a
2032	10,889,990	-	10,889,990	n/a
2033	11,107,790	-	11,107,790	n/a
2034	11,329,946	-	11,329,946	n/a
2035	11,556,545	-	11,556,545	n/a
2036	11,787,676	-	11,787,676	n/a
2037	12,023,429	-	12,023,429	n/a
Total	<u>\$ 179,428,494</u>	<u>\$ -</u>	<u>\$ 179,428,494</u>	

Source: City of South Bend Accounting Records

Statement of Estimated Cash Flow and Debt Service Coverage
Economic Development Income Tax (EDIT)

Year	Debt Payments							Total Debt Payments (1)	Estimated Excess Funds	Estimated Coverage
	Projected City of South Bend EDIT Revenues	2014 St. Joseph County PSAP Revenue Bonds	2015 EDIT Revenue Bonds (Park Projects)	2018 EDIT Revenue Bonds (Potawatomi Zoo Project)	South Bend Building Corporation 2021 Lease Rental Revenue Bonds (Infrastructure Projects)					
2021	\$ 12,586,666	\$ 199,271	\$ 374,381	\$ 324,100	\$ 220,964	\$ 605,700	\$ 1,118,716	\$ 11,467,950	1125.10%	
2022	12,065,405	199,423	372,556	332,100	605,700	646,200	1,509,780	10,555,625	799.15%	
2023	12,306,713	199,423	375,581	334,500	646,200	640,300	1,555,705	10,751,008	791.07%	
2024	12,552,847	199,315	368,381	326,500	640,300	643,900	1,534,496	11,018,352	818.04%	
2025	12,803,904	154,405	381,031	318,000	643,900	646,700	1,497,336	11,306,568	855.11%	
2026	13,059,982	155,363	373,231	327,750	646,700	643,700	1,503,044	11,556,938	868.90%	
2027	13,321,182	154,724	375,356	321,750	643,700	640,200	1,495,530	11,825,652	890.73%	
2028	13,587,606	155,298	377,181	325,375	640,200	641,000	1,498,054	12,089,552	907.02%	
2029	13,859,358	154,128	383,616	318,250	641,000	641,000	1,496,994	12,362,364	925.81%	
2030	14,136,545	154,172	384,038	320,750	641,000	640,200	1,499,959	12,636,585	942.46%	
2031	14,419,276	154,051	388,463	322,625	640,200	639,975	1,505,339	12,913,937	957.88%	
2032	14,707,661	153,630	387,175	318,750	639,975	643,175	1,499,530	13,208,131	980.82%	
2033	15,001,815	153,038	389,813	324,250	643,175	645,775	1,510,276	13,491,539	993.32%	
2034	15,301,851	153,582	391,781	158,875	645,775	-	1,350,014	13,951,837	1133.46%	
2035	15,607,888	-	593,094	-	647,775	-	1,240,869	14,367,019	1257.82%	
2036	15,920,046	-	-	-	644,175	-	644,175	15,275,871	2471.39%	
2037	16,238,447	-	-	-	-	-	-	16,238,447	n/a	
Total	\$ 237,477,192	\$ 2,339,824	\$ 5,915,678	\$ 4,373,575	\$ 9,830,739	\$ 22,459,817	\$ 22,459,817	\$ 215,017,375		

(1) Debt payments include principal and interest.

Source: City of South Bend Accounting Records

Demographic and Economic Information

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

Year	City of	Percent	South Bend	Percent	South Bend	Percent	South Bend	Percent	City of	City of	Percent
	South Bend	Increase/ (Decrease)	Metropolitan	Increase/ (Decrease)	Metro Area	Increase/ (Decrease)	Metro Area	Increase/ (Decrease)	South Bend	South Bend	Increase/ (Decrease)
	Population (1)		Area		Total Personal		Per Capita		Median Age (4)	Public School	
			Median Family		Income (3)		Income (3)			Enrollment (5)	
			Income (2)		(Millions)						
2011	101,168	0.00%	40,873	n/a	11,447	n/a	35,867	n/a	33.3	19,467	n/a
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%
2018	101,168	0.00%	35,758	0.00%	14,700	4.45%	45,681	4.10%	33.4	17,225	-2.67%
2019	102,026	0.85%	32,511	-9.08%	15,232	3.62%	47,244	3.42%	32.8	16,725	-2.90%
2020	102,602	0.56%	41,599	27.95%	23,392	53.57%	41,599	-11.95%	34.7	15,906	-4.90%

Sources:

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2017 information not available. - Now known as data.census.gov/cedsci/

(2) U.S. Census Bureau, 2013-2017 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/>).

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/>)

(6) Website Updated - now data.census.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)
	2011	155,025	n/a	15,582	n/a
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%
2018	160,969	1.97%	5,988	10.03%	3.72%
2019	159,616	-0.84%	5,445	-9.07%	3.41%
2020	155,500	-2.58%	8,500	56.11%	5.47%

Source:

(1) Bureau of Labor Statistics, Local Area Unemployment Statistics: South Bend-Mishawaka 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total employment	163,945	166,847	165,809	165,629	168,314	171,852	175,721	176,231	178,811	165,424
By Type:										
Wage and salary employment	134,643	136,844	136,390	136,105	138,475	141,683	144,810	145,127	146,253	137,774
Proprietors employment	29,302	30,003	29,419	29,524	29,839	30,169	30,911	31,104	32,558	27,650
Farm proprietors employment	1,340	1,342	1,305	1,310	1,303	1,295	1,292	1,277	1,210	571
Nonfarm proprietors employment	27,962	28,661	28,114	28,214	28,536	28,874	29,619	29,827	31,348	27,079
By Industry:										
Farm employment	1,758	1,770	1,685	1,692	1,686	1,690	1,674	1,633	1,620	720
Nonfarm employment	162,187	165,077	164,124	163,937	166,628	170,162	174,047	174,598	177,191	164,704
Private nonfarm employment	143,893	146,880	146,807	147,148	150,006	153,455	157,232	157,803	160,477	150,203
Forestry, fishing, and related activities	245	270	301	287	(D)	(D)	(D)	(D)	(D)	(D)
Mining	117	105	154	173	(D)	(D)	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	255
Construction	6,909	6,928	6,631	6,811	6,827	7,341	7,736	8,216	8,308	7,626
Manufacturing	16,280	17,619	17,655	17,139	17,523	18,098	18,444	18,670	18,422	15,309
Wholesale trade	7,168	7,250	7,097	6,870	7,265	7,477	7,678	7,064	6,978	6,959
Retail trade	17,711	17,813	17,665	17,612	17,735	17,912	18,186	17,968	17,794	16,689
Transportation and warehousing	4,332 E	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	5,749
Information	2,227	2,080	2,114	2,265	2,266	2,147	2,053	1,993	2,001	1,790
Finance and insurance	6,814	7,021	6,796	6,212	6,055	6,143	6,188	6,668	6,435	6,199
Real estate and rental and leasing	5,928	6,100	5,986	6,064	6,271	6,225	6,502	6,423	6,621	5,901
Professional, scientific, and technical services	7,163 E	7,168 E	6,981 E	7,411	7,419	7,805	(D)	8,149	8,412	7,986
Management of companies and enterprises	1,306 E	1,403 E	1,513 E	2,194	2,331	2,390	(D)	2,801	2,761	2,751
Administrative and waste management services:	8,524	8,356	7,912	7,785	8,142	8,169	8,657	8,442	8,432	8,065
Educational services	13,198 E	13,747	14,121	(D)	(D)	(D)	15,284	(D)	15,575	16,127
Health care and social assistance	20,332 E	21,256	21,870	(D)	(D)	(D)	23,679	(D)	23,654	23,249
Arts, entertainment, and recreation	2,625	2,811	2,767	2,809	2,749	2,742	2,852	3,132	4,118	3,727
Accommodation and food services	11,021	11,576	11,816	12,189	12,348	12,811	13,248	13,200	13,880	12,329
Other services, except public administration	9,728	10,031	10,038	9,939	10,316	10,385	10,569	10,512	10,516	9,256
Government and government enterprises	18,294	18,197	17,317	16,789	16,622	16,707	16,815	16,795	16,714	14,501
Federal, civilian	1,265	1,090	1,071	1,010	962	944	952	972	953	875
Military	1,003	1,043	1,006	990	1,002	1,023	1,005	972	932	855
State and local	16,026	16,064	15,240	14,789	14,658	14,740	14,858	14,851	14,829	12,771
State government	3,448	3,555	3,483	3,272	3,096	3,077	3,109	3,128	2,822	2,877
Local government	12,578	12,509	11,757	11,517	11,562	11,663	11,749	11,723	(D)	9,894

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

* 5/2019: 2018 information not available yet

* 5/2020: 2019 information not available yet; filled in for year 2018

* 5/2021: 2020 information not available yet; filled in for year 2019

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 15, 2018-- revised statistics for 2001-2016.

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
2011	9,144	227,692	12,460	n/a	n/a	n/a
2012	10,257	256,257	13,998	12.17%	12.55%	12.35%
2013	10,395	259,524	14,175	1.35%	1.27%	1.26%
2014	10,967	269,592	14,983	5.50%	3.88%	5.70%
2015	11,657	279,704	15,711	6.29%	3.75%	4.86%
2016	11,781	289,164	16,116	1.06%	3.38%	2.58%
2017	12,472	301,008	16,820	5.87%	4.10%	4.37%
2018	12,908	312,150	17,572	3.50%	3.70%	4.47%
2019	12,908	331,486	18,817	0.00%	6.19%	7.09%
2020	13,193	349,192	19,641	2.21%	5.34%	4.38%
Average Annual Growth - Most Recent 5 Years				2.53%	4.54%	4.67%
Average Annual Growth - Most Recent 10 Years				4.22%	4.91%	5.23%

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 3, 2019-- new estimates for 2016; revised estimates for 2012-2016.

* 5/2019: 2018 information not available.

* 5/2020: 2019 information not available yet; updated for year 2018

* 5/2021: 2020 information not available yet; updated for year 2019

Principal Employers

Current and Ten Years Ago

Employer	Type of Business	2020			2011		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
Beacon Health System (Memorial)	Health Care	7,000	4.39%	1	3,000	2.25%	3
University of Notre Dame	Higher Education	6,447	4.04%	2	5,213	3.91%	1
South Bend Community School Corp	Public Schools	2,773	1.74%	3	3,298	2.47%	2
St. Joseph County	Government	1,397	0.88%	4	1,049	0.79%	10
City of South Bend	Government	1,290	0.81%	5	1,133	0.85%	9
Four Winds Casino	Casino and restaurants	1,250	0.78%	6	-	0.00%	
Indiana University South Bend	Higher Education	1,166	0.73%	7	1,445	1.08%	6
Honeywell International	Aerospace Manufacturing	700	0.44%	8	-	0.00%	
Walmart	Department stores	700	0.44%	9	-	0.00%	
Ivy Tech Community College	Higher Education	654	0.41%	10	-	0.00%	
Saint Joseph Health System	Health Care	-	0.00%		2,221	1.66%	4
The Diocese of Fort Wayne/South Bend	Parochial Schools	-	0.00%		1,456	1.09%	5
AM General Corporation	Manufacturing/Assembly	-	0.00%		1,349	1.01%	7
1st Source Bank	Bank/Financial	-	0.00%		1,223	0.92%	8
Total Number of Employees		<u>23,377</u>	<u>14.65%</u>		<u>21,387</u>	<u>16.03%</u>	
Total Employees - South Bend Metropolitan Area Labor Force (1)		<u>159,616</u>	<u>100.00%</u>		<u>133,433</u>	<u>100.00%</u>	

Sources:

Employers' websites

Indiana Department of Workforce Development

(1) Bureau of Labor Statistics, Local Area Unemployment Statistics: South Bend-Mishawaka IN-MI Metropolitan Statistical Area

(<https://www.bls.gov/data/>)

Operating Information

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

New Construction - Number of Permits and Property Values

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

Year	Residential Number of Permits	Residential Value (in 000's)	Commercial Number of Permits	Commercial Value (in 000's)	Public Utility Number of Permits	Public Utility Value (in 000's)	Manufacturing Number of Permits	Manufacturing Value (in 000's)	Total Value (in 000's)	Total Value Increase/ (Decrease)
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	n/a
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	88	23,195	13	17,843	-	-	-	466	41,504	-39.71%
2018	92	26,069	19	41,335	-	-	-	-	67,404	62.40%
2019	85	23,322	17	72,746	-	-	1	60,000	156,068	131.54%
2020	45	13,846	16	19,037	-	-	-	21,000	53,883	-65.47%

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

Source: Consolidated City/County Building Department

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/program	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	19	19	19	19	19	19	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	12
Training Center	-	-	-	-	1	1	1	1	1	1
Rescue units	33	33	33	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	23	23	19	19	19	19	19	19	19	19
Other public works										
Streets (miles)	532	499	525	525	525	525	525	525	525	525
Streetlights	2,500	2,500	2,700	2,700	3,000	3,015	3,015	3,015	3,015	3,056
Traffic signals	162	164	165	167	162	158	164	163	163	160
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,300	1,300	1,300
Playgrounds	23	23	23	23	23	23	23	23	23	37
Baseball/softball diamonds	27	27	27	27	27	27	27	27	27	23
Soccer/football fields	17	17	19	19	19	19	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash Pads	5	5	5	6	6	6	7	8	8	9
Community center	5	5	5	5	3	3	3	4	4	6
Water										
Water mains (miles)	580	582	583	584	583	583	583	586	587	587
Fire hydrants	5,345	5,377	5,401	5,436	5,448	5,439	5,459	5,539	5,550	5,647
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)	534	534	528	526	527	527	527	535	537	251
Storm sewers (miles)	127	127	133	133	133	133	155	155	155	156
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

Source: City of South Bend Departments

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/ Program	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Physical arrests	3,626	3,174	2,959	2,608	2,483	2,342	2,229	2,664	2,028	1,785
Parking violations	904	1,051	1,019	299	691	480	919	548	293	662
Traffic violations	4,236	7,561	2,180	1,487	4,327	6,437	4,701	2,580	2,038	1,802
Fire:										
Emergency responses	15,408	15,720	15,865	15,902	15,340	15,886	16,829	22,659	22,166	21,958
Fires extinguished	251	214	220	227	213	236	339	278	393	360
Inspections	3,553	3,325	2,273	3,133	3,778	2,148	2,522	3,525	24	634
Refuse collection:										
Refuse collected (tons per day) (1)	123	128	122	128	149	139	142	142	148	170
Other public works:										
Street resurfacing (miles)	18	17	21	22	17	20	19	21	21	21
Potholes repaired (tonnage)	332	117	691	826	526	462	363	476	878	365
Parks and recreation:										
Athletic field permits issued	227	133	93	120	113	427	142	103	428	428
Fitness Center Admissions	67,408	61,002	63,671	67,428	64,547	67,294	73,405	68,306	71,262	65,432
Water:										
New billable housing starts	144	160	242	141	108	189	214	119	149	107
Water mains breaks	60	66	80	134	99	53	45	67	86	48
Average daily consumption (thousands of gallons)	15,600	16,600	15,300	11,000	14,500	14,640	14,358	14,640	14,400	14,866
Wastewater:										
Average daily sewage treatment (thousands of gallons)	35,800	31,770	30,690	31,991	30,200	43,874	35,800	37,110	37,730	31,870

Source: City of South Bend Departments

Full-Time Equivalent City Government Employees by Department

Last Ten Fiscal Years

Department	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Mayor's Office	7	6	6	7	7	6	7	7	7	9
City Clerk's Office	5	5	5	5	5	5	5	5	4	5
Common Council (elected officials, part-time)	9	9	9	9	9	9	9	9	9	9
Administration and Finance (1), (2)	27	22	20	21	22	22	21	23	23	20
Human Resources (1)	-	-	-	-	-	-	-	-	-	6
Diversity & Inclusion (1)	-	-	-	-	-	-	-	-	-	3
Legal Department	9	9	10	10	11	10	10	11	10	12
Engineering	17	15	13	14	16	18	18	23	21	24
Office of Sustainability	-	-	-	-	-	-	-	1	2	2
Safety and Risk	-	3	3	3	1	2	2	2	2	1
Human Rights	-	6	6	6	5	5	5	4	5	5
311 Call Center	-	-	5	7	7	-	-	-	-	-
Public Safety:										
Police Department	293	291	291	295	300	287	285	283	270	271
Communication Center	35	35	33	34	-	-	-	-	-	-
Fire Department	258	249	255	257	259	268	272	262	265	257
Building Maintenance	3	-	-	-	-	-	-	-	-	-
Culture and Recreation:										
Parks and Recreation (3)	114	114	113	87	88	89	94	90	94	91
Convention and Events Management	14	14	14	14	14	12	9	10	11	9
Economic Development:										
Department of Community Investment	25	24	26	25	25	23	22	24	28	29
Neighborhood Services	-	-	-	-	-	4	4	4	4	34
Highways and Streets:										
Streets Division / Traffic & Lighting	56	52	60	59	50	46	53	54	56	58
Enterprise Funds:										
Water Works	74	73	70	68	67	66	66	63	63	63
Wastewater (4)	49	46	45	42	43	44	44	42	43	42
Organic Resources (4)	-	6	6	6	6	6	6	6	6	6
Sewer	36	39	34	33	36	37	41	39	41	41
Solid Waste	23	24	26	22	25	29	23	22	23	22
Building Department	13	13	14	13	13	14	14	15	13	15
Code Enforcement/Animal Resource Center (5)	25	25	24	23	23	18	25	26	27	-
Century Center	-	-	-	-	-	-	-	8	6	5
Internal Service Fund:										
311 Call Center	-	-	-	-	-	6	6	7	7	7
Innovation & Technology (2)	-	-	-	-	-	-	17	20	21	22
Central Services Fund	41	42	43	38	38	40	41	39	37	35
Total Positions	1,133	1,122	1,131	1,098	1,070	1,066	1,099	1,099	1,098	1,103

Source: City of South Bend Personnel Records

- (1) Human Resources and Diversity & Inclusion were formerly part of the Department of Administration & Finance
- (2) Innovation & Technology was formerly part of the Department of Administration & Finance
- (3) Potawatomi Zoo employees (33) became employees of the Potawatomi Zoological Society through a public-private partnership as of January 1, 2014.
- (4) Organic Resources was formerly in Wastewater
- (5) Code Enforcement and Animal Resource Center moved from an Enterprise to a Governmental fund in 2020

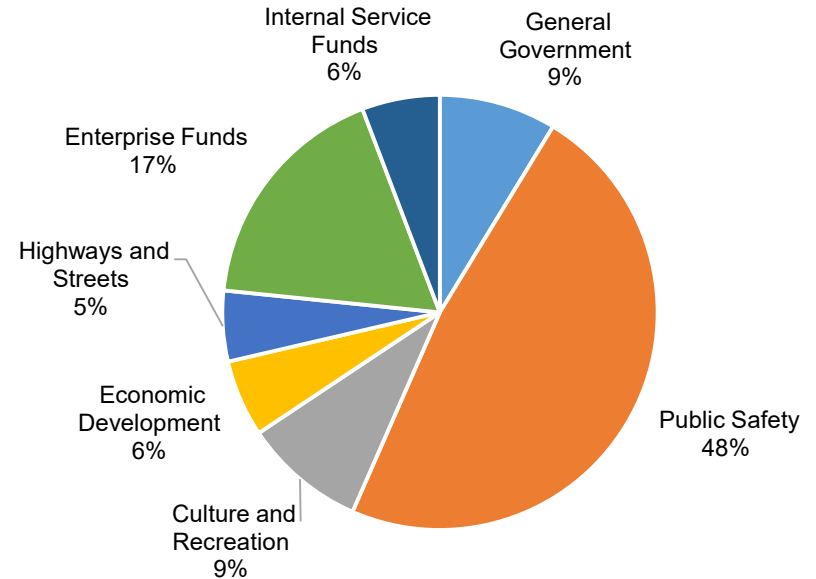
City of South Bend, Indiana

Full-Time Equivalent City Government Employees by Department (Continued)

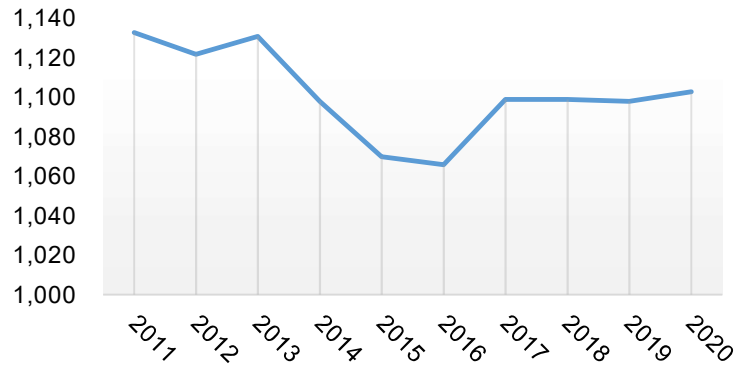
Last Ten Fiscal Years

Department	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary by Activity										
General Government	74	75	77	82	83	77	77	85	83	96
Public Safety	589	575	579	586	559	555	557	545	535	528
Culture and Recreation	128	128	127	101	102	101	103	100	105	100
Economic Development	25	24	26	25	25	27	26	28	32	63
Highways and Streets	56	52	60	59	50	46	53	54	56	58
Enterprise Funds	220	226	219	207	213	214	219	221	222	194
Internal Service Funds	41	42	43	38	38	46	64	66	65	64
Total Positions	1,133	1,122	1,131	1,098	1,070	1,066	1,099	1,099	1,098	1,103

Full-Time Employees as of December 31, 2020



Full-Time Employees at Year-End



Source: City of South Bend Personnel Records
 - Excludes seasonal, part-time and temporary positions

Salary Rate Comparison

1991 through 2020

Year	---1st Class Patrol Officer---		---1st Class Fire Fighter---		Non-bargaining	Teamsters
	Percent	Base Salary	Percent	Base Salary		
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
2018	2.00%	57,998	2.00%	57,957	2.00%	.75% and 1.5% INPRS Contribution
2019	2.00%	59,158	2.00%	59,116	2.00%	.75% and 1.5% INPRS Contribution
2020	2.00%	60,341	2.00%	60,298	2.00%	.75% and 1.5% INPRS Contribution

Type of Coverage		Limits of Liability	Estimated Annual Premium
Liability			
Comprehensive General Liability		Statutory	Self-Insured
Police Professional Liability		Statutory	Self-Insured
Ambulance Malpractice Liability		Statutory	Self-Insured
Premises Liability (Clay Utilities, Century Center, Parking Garages)		Statutory	Self-Insured
CGL - Stadium		Statutory	Self-Insured
Liquor Liability	1/1/19-1/1/20	\$ 1,000,000	\$ 2,280 Premium
Special Events (Arbor Day/Rum Village Aerial)	4/20/19-4/20/20	\$ 1,000,000	\$ 2,000 Premium
Crime			
Public Employee Dishonesty	12/31/19-12/31/20	\$ 1,000,000	\$ 9,205 Premium
Property			
	7/1/19-7/1/20		
All risk blanket building & contents		\$ 550,000,000	\$425,292 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	1/15/19-1/15/20	\$ 839,200	\$ 9,370 Premium
Eddy Street Commons Parking Garage	3/2/19-3/2/20		
Building & Infrastructure		\$ 36,000,000	\$ 27,672 Premium
Business Income & Rental Value		\$ 15,000,000	Included in above
Flood		\$ 25,000,000	Included in above
Earthquake		\$ 25,000,000	Included in above
Other			
	1/1/19-1/1/20		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$ 48,000 Fee
Excess Over Self-insured \$400,000 Retention Each Accident		Statutory	\$147,764 Premium/Fee

Sources:

City of South Bend Administration & Finance Department
Gibson Insurance Company

Police Department				
	2017	2018	2019	2020
Authorized Officers	230	237	228	237
Vehicles	340	428	452	480
Special Officer Groups:				
K-9 Patrols	7	7	7	7
SWAT Team	18	18	18	18
NEST - Special Neighborhood Unit	12	12	12	12
Motorcycle Patrol Officers	6	8	8	8
Bomb Squad	3	3	3	3
Crime Prevention Officers	4	3	3	5
Crime Data:				
Murders	17	9	11	34
Rapes	93	66	67	26
Robbery	345	365	277	97
Aggravated Assault	611	782	711	338
Residential Burglary	830	685	970	131
Non-residential Burglary	362	350	-	63
Larceny	3,438	3,288	2,956	796
Auto Theft	469	510	480	n/a
Arson	37	47	71	11
Calls for Service/Dispatches	99,542	96,853	98,536	96,237
Miles Driven	3,038,700	2,993,092	3,098,275	1,978,102
Arrests	2,229	2,664	2,109	1,785

Fire Department				
	2017	2018	2019	2020
Sworn Firefighters				
(46 of which are Paramedics)	253	255	265	256
Fire Apparatus	20	20	20	20
Hazardous Materials Truck	1	1	1	1
Reserve Pumper Trucks	3	3	3	3
Reserve Ladder Trucks	2	2	2	3
River Rescue Boats	3	3	3	3
Ambulances	7	4	4	4
Neonatal (Newborn) Units	3	3	3	3
Fire Runs	3,582	3,894	5,898	5,826
Ambulance Runs	15,442	18,765	15,980	16,132

Department of Public Works				
	2017	2018	2019	2020
Traffic Signals	163	163	163	160
Street Lights (City maintained)	3,015	3,015	3,015	3,056
Miles of Streets	525	525	525	525
Miles of Sidewalks	695	707	707	707
Miles of Alleys	398	398	398	398
Miles of Sanitary Sewers and Storm Drains	691	692	692	692
City Owned Vehicles & Related Units	1,190	1,125	1,274	1,133

Sign Shop				
	2017	2018	2019	2020
Work orders for sign maintenance, installation or removal	1,641	1,642	n/a	1,550
Miles of yellow and white paint	297	311	n/a	203
Pre-formed plastic arrows used for street markings	46	216	n/a	160
Crosswalk painting at intersections	387	220	n/a	185
Temporary No Parking postings	499	512	n/a	n/a
Railroad Crossings	7	4	n/a	n/a
Special Signs Built	273	532	n/a	225
Barricades set up for events (# of events):	100	136	n/a	n/a
Block Parties	40	28	n/a	n/a

Sewer Utility				
	2017	2018	2019	2020
Customers	40,543	40,680	40,547	41,154
Dry Tons of Sludge produced per year	2,397	2,565	2,565	2,616
Miles of Sanitary Sewer Lines	230	232	232	251
Miles of Storm Sewer Lines	155	155	155	156
Miles of Combined Lines (not separated)	305	305	305	305

Water Utility				
	2017	2018	2019	2020
Customers/Meters	41,200	41,275	41,135	41,132
Irrigation Customers	2,907	2,905	2,902	2,857
Wells/Pumps in service	27	30	30	29
Pumping Capacity	48 m.g.d.	40 m.g.d.	48 m.g.d.	53.7 m.g.d.
Daily Consumption	14.4 m.g.d.	14.6 m.g.d.	14.4 m.g.d.	14.8 m.g.d.
Peak Demand	25.8 m.g.d.	25.1 m.g.d.	23.5 m.g.d.	26.28 m.g.d.
Miles of Distribution Systems	586	587	587	587
Fire Hydrants	5,539	5,550	5,550	5,647

Source: City of South Bend Departments

South Bend International Airport

Passenger Volume:			
Year	Airline Enplanements	South Shore Train	Bus to O'Hare/Midway
2015	314,300	248,506	34,394
2016	328,897	243,920	34,145
2017	305,491	260,794	33,696
2018	368,877	246,641	27,044
2019	417,929	236,274	25,803
2020 *	211,744	82,600	-

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

* COVID 2020 - stay at home order 3/24/20 - 5/3/20 - Airlines Suspension in flights - through 2020

Commercial airlines with operations at South Bend

International Airport (market share):	2017	2018	2019
Allegiant Air	31.73%	26.98%	24.00%
Delta Connection	45.79%	41.56%	38.00%
United Express	20.63%	19.50%	18.00%
American	-	10.24%	18.00%
Charters/Nonscheduled	1.85%	1.72%	2.00%
Total	100.00%	100.00%	100.00%

** 2020 Data not available

South Bend Public Transportation Corporation

Transpo:	2018	2019	2020
Motor Bus (Fixed Route)			
Route Miles	290	290	290
Ridership	1,553,926	n/a	n/a
Miles of Service	1,420,366	n/a	n/a
Revenue Miles	1,361,525	n/a	n/a
Demand Response (ACCESS)			
Ridership	76,323	n/a	n/a
Total Miles	395,061	n/a	n/a
Revenue Miles	344,767	n/a	n/a

Other Transportation

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

Universities and Colleges	Enrollment		
	2018	2019	2020
University of Notre Dame	12,393	12,607	12,681
Indiana University at South Bend	5,214	5,563	5,092
Bethel College	1,650	1,513	1,450
St. Mary's College	1,600	1,548	1,580
Holy Cross College	500	451	488
Trine University - South Bend	78	78	n/a
Purdue Polytechnic Institute SB	120	130	n/a

Technical Colleges	Enrollment		
	2018	2019	2020
IVY Tech Community College *	5,547	5,552	n/a

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 (WNUD), ABC (WBND), and CBS/FOX (WSBT)
 1 Public Broadcasting Television Station (WNIT)
 2 Local Television Stations (WHME, WJWSV)
 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 names:
 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

City of South Bend, Indiana

Single Audit Report

For the Year Ended December 31, 2020

City of South Bend, Indiana

December 31, 2020

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City of South Bend, Indiana

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Amount Passed-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
Economic Adjustment Assistance - Economic Development Cluster	11.307	N/A	\$ -	\$ 7,425,627
Total Economic Development Cluster			-	7,425,627
Total U.S. Department of Commerce			-	7,425,627
U.S. Department of Housing and Urban Development				
Community Development Block Grant - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	1,603,061	2,273,853
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	656,217	733,528
Total Community Development Block Grant - Entitlement Grants Cluster			2,259,278	3,007,381
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	N/A	559,085	564,624
Fair Housing Assistance Program - State and Local	14.401	N/A	-	93,473
Lead Hazard Reduction Demonstration Grant Program	14.905	N/A	368	43,532
Total U.S. Department of Housing and Urban Development			2,818,731	3,709,010
U.S. Department of the Interior				
Indiana Department of Natural Resources				
Land and Water Conservation Fund State and Local Assistance Program	15.916	18-00620	-	200,000
Total U.S. Department of the Interior			-	200,000
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplement Funding Program				
Indiana Criminal Justice Institution	16.034	N/A	-	84,507
Project Safe Neighborhoods	16.609	6722	-	79,499
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	182,186
Equitable Sharing Program	16.922	N/A	-	19,000
Total U.S. Department of Justice			-	365,192
U.S. Department of Transportation				
Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	A249-14-320311A	-	62,526
Highway Planning and Construction	20.205	A249-15-320123	-	26,624
Highway Planning and Construction	20.205	A249-15-320127A	-	1,913
Highway Planning and Construction	20.205	A249-15-L150057	-	10,018
Highway Planning and Construction	20.205	A249-16-L160016	-	13,470
Highway Planning and Construction	20.205	A249-16-L160015	-	374
Highway Planning and Construction	20.205	A249-16-L160021	-	617
Highway Planning and Construction	20.205	A249-16-L160023	-	131,155
Highway Planning and Construction	20.205	A249-19-L180186	-	668
Total Highway Planning and Construction Cluster			-	247,365
Total U.S. Department of Transportation			-	247,365
U.S. Department of Treasury				
Indiana Finance Authority				
COVID-19 Coronavirus Relief Fund	21.019	IFA-CRF2020	-	3,324,733
Indiana Arts Commission				
COVID-19 Coronavirus Relief Fund	21.019	IAC-CRF2020	-	43,569
Indiana Department of Workforce Development				
COVID-19 Coronavirus Relief Fund	21.019	IDWD-CRF2020	-	56,210
Indiana Family and Social Services Administration				
COVID-19 Coronavirus Relief Fund	21.019	IFSSA-CRF2020	-	572,541
Total COVID-19 Coronavirus Relief Fund			-	3,997,053
Total U.S. Department of Treasury			-	3,997,053
U.S. Equal Employment Opportunity Commission				
Employment Discrimination - State and Local Fair Employment Practice Agency Contracts				
Employment Discrimination - State and Local Fair Employment Practice Agency Contracts	30.002	N/A	-	100,391
Total U.S. Equal Employment Opportunity Commission			-	100,391
National Endowment for the Arts				
Promotion of the Arts Grants to Organizations and Individuals				
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	-	3,857
Total National Endowment for the Arts			-	3,857
Corporation for National and Community Service				
Indiana Department of Workforce Development				
AmeriCorps	94.006	18AFHN001	-	176,231
Total Corporation for National and Community Service			-	176,231
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance				
Disaster Grants - Public Assistance	97.036	N/A	-	14,866
Total U.S. Department of Homeland Security			-	14,866
Total Federal Expenditures			\$ 2,818,731	\$ 16,239,592

City of South Bend, Indiana
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of South Bend, Indiana (City) under programs of the federal government for the year ended December 31, 2020. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that the Economic Adjustment Assistance program, CFDA 11.307, federal awards expended be reported on the Schedule of Expenditures of Federal Awards as shown below for the year ended December 31, 2020:

\$	4,838,386	Revolving loan fund loans outstanding
	76,300	Revolving loan fund land held for resale
	2,406,914	Revolving loan fund cash and investments
	104,027	Revolving loan fund administrative expenses
	<hr style="border-top: 1px solid black;"/>	
	7,425,627	
	<hr style="border-top: 3px double black;"/>	

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Audit Committee
City of South Bend, Indiana
South Bend, Indiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of South Bend, Indiana (City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 26, 2021, which contained an emphasis of matter paragraph for a restatement of prior year financial statements.

Our report includes a reference to other auditors who audited the financial statements of South Bend Public Transportation Corporation, a discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of South Bend, Indiana's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Indianapolis, Indiana
October 26, 2021

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

Independent Auditor's Report

Audit Committee
City of South Bend, Indiana
South Bend, Indiana

Report on Compliance for Each Major Federal Program

We have audited the City of South Bend, Indiana (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The City's basic financial statements include the operations of South Bend Public Transportation Corporation, a discretely presented component unit, which expended \$4,086,514 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2020. Our audit, described below, did not include the operations of South Bend Public Transportation Corporation because the organizational unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 26, 2021, which contained unmodified opinions on those financial statements, and included an emphasis of matter paragraph for a restatement of prior year financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
October 26, 2021

City of South Bend, Indiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
 Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies)? Yes None reported
Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal awards program disclosed:
Significant deficiency(ies)? Yes None reported
Material weakness(es)? Yes No

5. The opinion expressed in the independent auditor's report on compliance for the major federal awards were:
 Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? Yes No

City of Fishers, Indiana
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

7. The City's major programs were:

Cluster/Program	CFDA Number
Economic Development Cluster	11.307
COVID-19 Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee? Yes No

City of South Bend, Indiana
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
2020-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The City’s internal control environment over financial reporting did not timely detect certain adjustments related to the previous fiscal year that were needed to prevent the opening net position for 2020 from being materially misstated. (Material Weakness)</p> <p>Context: The City’s internal controls over preparing full accrual financial statements in accordance with GAAP did not timely detect certain adjustments to capital assets as of December 31, 2019. Of note, management internal controls identified the error during 2020 after the 2019 City financial statements had been issued. Additionally, during the 2020 audit, certain adjustments were proposed and recorded to properly allocate certain pension and OPEB obligation balances to the appropriate funds/departments within the 2020 financial statements, including a restatement of opening net position balances.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The City's internal control environment continues to be improved and adjusted but did not identify these adjustments in a timely manner.</p> <p>Recommendation: The City should continue refining an effective process to accurately and timely report capital assets as well as properly allocating accounting transactions among funds/departments to which they apply.</p> <p>Views of Responsible Officials and Planned Corrective Action: The City recognizes and agrees that specific breakdowns in internal control led to certain misstatements in the Annual Comprehensive Financial Report submitted for examination. These misstatements were subsequently corrected.</p>

City of South Bend, Indiana
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Findings Required to be Reported by *Uniform Guidance*

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

City of South Bend, Indiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Reference Number	Summary of Finding	Status
2019-001	<p>Economic Development Cluster, CFDA 11.307</p> <p>Special Tests and Provisions – RLF Loan Requirements – 2 CFR 200.303 requires a non-Federal entity to establish and maintain effective internal controls over the Federal award that provide reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulation, and the terms and conditions of the Federal award. During 2019, the City did not have documentable controls in place to ensure proper documents were received and maintained in compliance with the RLF Loan Requirements.</p>	Resolved



CITY OF SOUTH BEND, IN JAMES MUELLER, MAYOR
DEPARTMENT OF ADMINISTRATION AND FINANCE

Views of Responsible Official and Planned Corrective Action
Finding 2020-001

Contact Person Responsible for Corrective Action: Daniel Parker

Contact Phone Number: (574) 235-9822

Views of Responsible Official: The City recognizes and agrees that specific breakdowns in internal control led to certain misstatements in the Annual Comprehensive Financial Report submitted for examination. These misstatements were subsequently corrected.

Description of Corrective Action Plan: The City continuously strives to monitor and improve upon its system of internal controls, and has made significant and material strides toward establishing a more robust system of internal controls over the past year. These steps included:

- The reiteration and reconstitution of the City's [Internal Control Standards Ordinance](#) (the "Standards Ordinance") by the South Bend Common Council. This new ordinance, passed on March 22, 2021, reiterates the standards that underlie strong internal control for the City and provides a foundation for a more robust and actionable set of policies and procedures to communicate and govern the way the City conducts and records financial transactions.
- The establishment (on May 10, 2021) of a new [Internal Control Policy](#) and related supplements, which expands on the directives established in the Standards Ordinance and establishes a framework (through the [Administration & Finance Resource Site](#)) to document the specific processes and procedures necessary to accomplish the three goals of internal control:
 - Effectiveness and efficiency of operations
 - Reliability of financial reporting
 - Compliance with applicable laws and regulations
- The implementation of a new Enterprise Resource Planning ("ERP") software system in May, 2020, and the concurrent revision or establishment of policies and procedures related to all areas of financial management, including purchasing, accounts payable, transaction accounting, payroll, accounts receivable, fixed asset reporting, cash management, and inventory.
- The establishment of a [departmental strategic plan](#) in 2021 that includes a strategic focus area dedicated to financial reporting ("[Transparent, Useful Financial Reporting](#)") and includes specific goals and metrics around the usefulness, usability, and reliability of external financial reports such as the ACFR.

These improvements (and others) are precisely what led to our ability to identify errors in the 2019 financial statements after those statements had been issued, which led to the subsequent corrections to those statements. For this reason, we are confident that there will be fewer immaterial misstatements in the 2021 financial statements.

As is the case in any organization, it is important to note that the City's system of internal controls is designed to provide reasonable assurance regarding the reliability of financial reporting and is not intended to provide absolute assurance that financial reports will be free from error.



Going forward, the City will look to build upon the successes of the past year by continuing to update its [General Accounting Policy](#) and related supplements to ensure the compliance of those items with generally accepted accounting principles (“GAAP”) and all pronouncements of the Government Accounting Standards Board (“GASB”).

Anticipated Completion Date: Completion of the structure underlying and describing the City’s internal control framework and control activities has already been completed (although monitoring and updating that framework and specific policies is an ongoing, iterative process). Additionally, the City’s new ERP system has been fully implemented, and the corrections to the specific deficiencies noted in the finding have been completed.

(Signature)

City Controller

(Title)

October 13, 2021

(Date)