



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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December 6, 2022

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

We have received the Annual Comprehensive Financial Report and Single Audit Report of City of South Bend which were opined upon by FORVIS, LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the Independent Auditor's Report, the financial statements present fairly the financial condition of the City of South Bend as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Single Audit Report directly follows the Annual Comprehensive Financial Report and a Summary of Auditor's Results may be found on pages 8-9 of the Single Audit Report.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



City of South Bend, Indiana

2021 Annual Comprehensive Financial Report



James Mueller, Mayor

Benjamin Dougherty, Deputy City Controller

Daniel Parker, 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

June 29, 2022

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 annual comprehensive financial report of the **City of South Bend, Indiana** (the "City") for the year ended **December 31, 2021** 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 Annual Comprehensive 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, 2020. 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 136,843 workers (2021, 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 89.8% 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% with a bachelor's degree or higher. There are six 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; Holy Cross College; and Ivy Tech Community College. The St. Joseph County 2021 Annual Average Unemployment was 4.2%, which is slightly higher than the state of Indiana unemployment rate of 3.6%. The unemployment rate in St. Joseph County rebounded in 2021 from the high unemployment caused by the COVID-19 pandemic and was similar in 2021 to the surrounding counties—Elkhart (2.5%), LaPorte (5.1%), and Marshall (2.7%) in Indiana (2021 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 2021 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	22,362	16.34%
Retail Trade	15,724	11.49%
Federal, State, & Local Government	14,252	10.41%
Manufacturing	13,985	10.22%
Educational Services	10,745	7.85%
Accommodation and Food Service	10,304	7.53%
Professional and Technological Services	7,770	5.68%
Construction	7,313	5.34%
Wholesale Trade	6,660	4.87%
Transportation and Warehousing	5,799	4.24%
Administrative and Waste Services	5,384	3.93%
Other Services	3,617	2.64%
Finance and Insurance	3,525	2.58%
Arts, Entertainment, and Recreation	2,909	2.13%
Management	2,355	1.72%
Information	1,605	1.17%
Real Estate, Rental, Leasing	1,588	1.16%
Agriculture, Forestry, Fishing, Hunting, Mining	700	0.51%
Utilities	246	0.18%
Total	136,843	100.00%

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 2020 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 2022, the median sales price for a single-family home in the South Bend-Mishawaka Statistical Area was \$159,900 as compared to a median sales price of \$299,000 in Chicago and \$229,000 in Indianapolis. The national median sales price is \$374,900.

Between January 2016 and December 2021, the City of South Bend has seen approximately \$765 million in private investment and the announcement of close to 2,800 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 15,400 students in grades pre-kindergarten through 12. An estimated 6,630 students attend private or parochial schools within the City. The six 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, 2021 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 annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the 31st 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 Annual Comprehensive 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 Annual Comprehensive Financial Report (ACFR) was made possible by the dedicated service of the City's departmental directors of finance and the staff of the Department of Administration and Finance. Each Director of Department Finance 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 ACFR preparation team of Ben Dougherty, Amy Shirk, and Maricela Juarez. In addition, we would like to thank the audit staff at FORVIS, 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, Directors of Department Finance 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

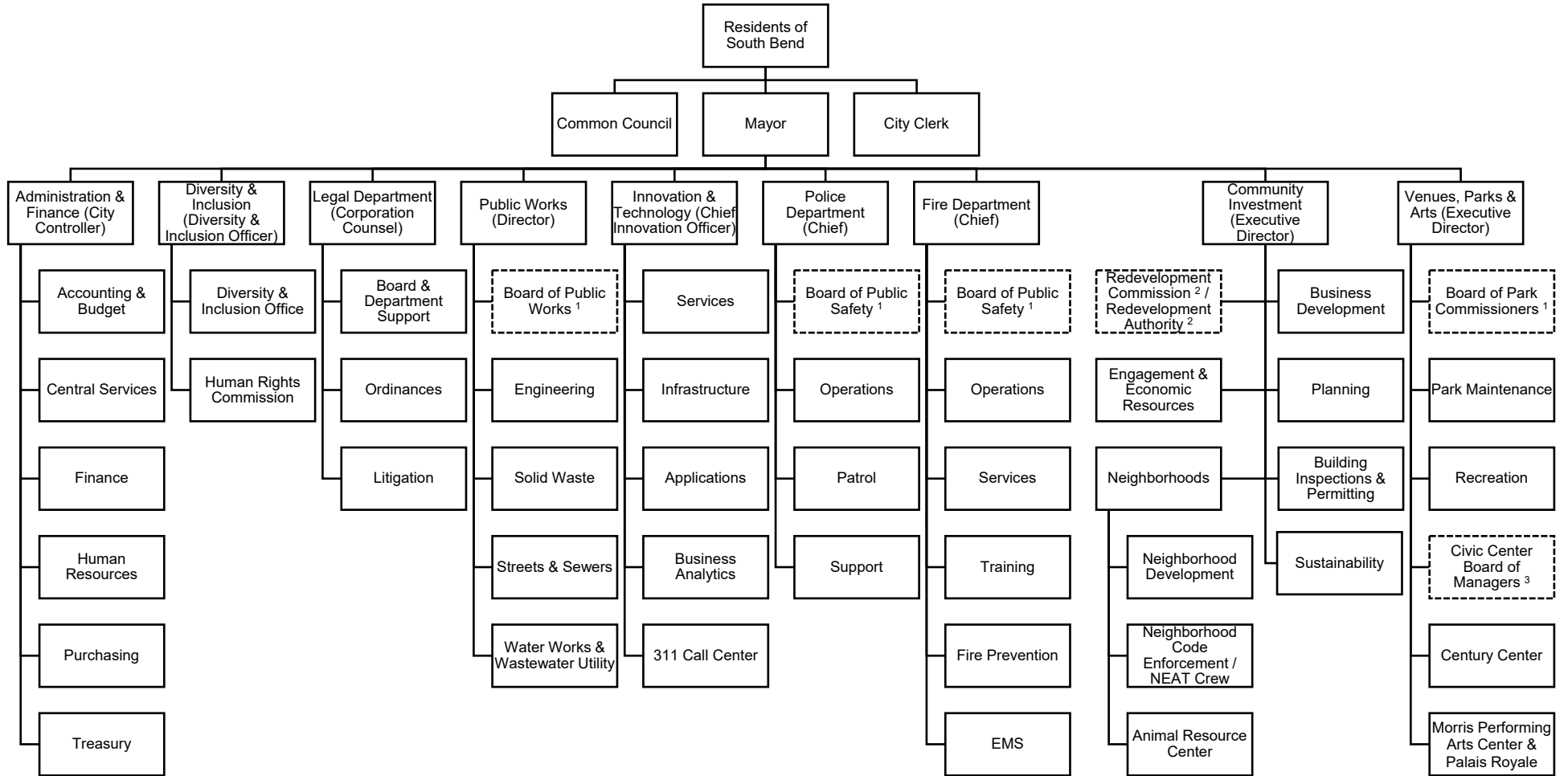
December 31, 2020

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

Effective: January 1, 2021



CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
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	Elizabeth Maradik	01/01/2021 to 12/31/2021
Common Council Members		
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	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
South Bend, Indiana

Report on the Audit of the Financial Statements

Opinions

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 of South Bend, Indiana (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2021, 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.

We did not audit the financial statements of South Bend Public Transportation Corporation, the discretely presented component unit of the City. Those 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 as the sole discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 are presented for purposes of additional analysis and are 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

Indianapolis, Indiana
June 29, 2022

Management's Discussion and Analysis

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, 2021**.

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 2020 U.S. Bureau of the Census population for the City of South Bend was reported as 103,453 and the 2020 Census population for St. Joseph County was reported as 272,912. 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Assets/deferred outflows	\$722,137,844	\$557,165,642	\$307,620,858	\$300,461,955	\$1,029,758,702	\$857,627,597	\$39,673,466	\$31,928,256
Liabilities/deferred inflows	506,962,388	385,440,684	78,727,759	87,618,403	585,690,147	473,059,087	5,443,614	2,735,998
Net Position								
Net investment in capital assets	133,711,581	128,432,152	165,916,250	158,425,568	299,627,831	286,857,720	31,637,517	28,508,842
Restricted	30,180,859	11,810,879	42,713,237	42,169,068	72,894,096	53,979,947	-	-
Unrestricted	51,283,016	31,481,927	20,263,612	12,248,916	71,546,628	43,730,843	2,592,335	683,416
Total Net Position	\$215,175,456	\$171,724,958	\$228,893,099	\$212,843,552	\$444,068,555	\$384,568,510	\$34,229,852	\$29,192,258
Change vs. prior year	\$43,450,498	\$15,784,253	\$16,049,547	\$7,424,114	\$59,500,045	\$23,208,367	\$5,037,594	\$(193,397)
Expenses	153,053,931	175,327,161	58,793,603	66,465,554	211,847,534	241,792,715	13,279,726	12,905,984
Revenues	196,504,429	191,111,414	74,843,150	73,889,668	271,347,579	265,001,082	18,317,320	12,712,587

- Government-wide net position was \$444,068,555 as of December 31, 2021.
- Government-wide net position increased by \$59,500,045 or 15.5% during fiscal year 2021. Governmental activity net position increased by \$43,450,498 or 25.3% and business-type activity net position increased by \$16,049,547 or 7.5% during fiscal year 2021. The increase in governmental activity net position is primarily driven by three factors:
 - First, the City's net pension liability decreased by over \$26 million, primarily as the result of revised actuarial assumptions regarding the future liability of the city's pension plans. Additionally, the City saw the re-establishment of a net pension asset of over \$19 million related to the 1977 Police Officers' and Firefighters Pension Fund.
 - Both property tax and income tax revenues were stronger than anticipated, with the income tax funds posting and increase in fund balance of more than \$8 million (on a modified accrual basis).
 - Expenses were down, particularly personnel expenses, stemming from the ongoing difficulties in hiring and retaining qualified personnel. This was especially significant in public safety, where personnel expenses decreased significantly from 2020 to 2021.
- Total assets and deferred outflows of resources as of December 31, 2021 of \$1,029,758,702 increased by \$172,131,105 or 20.07 % as compared to total assets and deferred outflows of resources as of December 31, 2020. The increase is primarily attributable to three factors:
 - In 2021, the City changed reporting presentation such that the City now recognizes a receivable (and a corresponding deferred inflow of resources) for property taxes levied before the end of the fiscal year. This resulted in the recognition of a property tax receivable of \$87,600,927, which was not present in the 2020 financial statements. For more information, see Note 20 in the Notes to the Financial Statements.
 - Due in part to the historic influx of cash stemming from the partial implementation of the American Rescue Plan Act ("ARPA"), the City's cash and investment balances as of December 31, 2021 grew by \$59,625,197, or 23%, compared to December 31, 2020.
 - Additionally, the City saw the re-establishment of a net pension asset of \$19,193,872 related to the 1977 Police Officers' and Firefighters Pension Fund, which was not present in the 2020 financial statements.

- Total liabilities and deferred inflows of resources as of December 31, 2021 of \$585,690,147 increased by \$112,631,060 or 23.8% as compared to total liabilities and deferred inflows of resources as of December 31, 2020. This increase was driven primarily by the establishment of a deferred inflow of resources related to property taxes receivable (as discussed above) and the establishment of an unearned revenue of \$29,549,185 related to unspent ARPA funds (as also discussed above). In addition, deferred inflows of resources related to pension plans increased by \$35,000,435 from 2020 to 2021, more than offsetting a decrease in net pension liability of \$26,624,915.
- As of December 31, 2021, the government-wide net position of \$444,068,555 has \$299,627,831 invested in capital assets (net of debt) which is not available for spending, \$72,894,096 classified as restricted for debt service; capital outlays; and other uses; and \$71,546,628 classified as unrestricted.
- Government-wide revenues received in fiscal 2021 totaled \$271,347,579, an increase of \$6,346,497 or 2.4% compared to government-wide revenues received in fiscal 2020. Governmental activity revenues increased by \$5,393,015 or 2.8%, and business-type activity revenue increased by \$953,482, or 1.3%. These changes were due primarily to higher-than-expected property tax and income tax revenues.
- Government-wide expenses in 2021 totaled \$211,847,534, a decrease of \$29,945,181 (12.3%) compared to expenses in 2020. Governmental activity expenses decreased by \$22,273,230 or 12.7%, while business-type activity expenses decreased by \$7,671,951 or 11.5% compared to fiscal 2019. The decrease in expenses in both governmental activities and business-type activities is due in large part to extraordinarily low pension expense in 2021, combined with lower-than-expected personnel expenses due to open positions.
- 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, 2021. 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, 2021. 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 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

December 31, 2021

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, Local Income Tax Public Safety, Local Income Tax Certified Shares, Local Income Tax Economic Development, American Rescue Plan, 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 eight (8) 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 and Wastewater utility, which are considered major enterprise funds. Data from the other six (6) nonmajor enterprise funds (Century Center, Consolidated Building Department, Parking Garage, Solid Waste, Emergency Medical Services, and Morris Performing Arts Center) 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Assets								
Current and other	\$421,248,319	\$256,626,088	\$77,896,068	\$69,809,178	\$499,144,387	\$326,435,266	\$7,619,024	\$2,999,487
Capital assets (net)	271,511,509	278,777,630	226,179,303	227,419,851	497,690,812	506,197,481	31,667,892	28,512,277
Total Assets	692,759,828	535,403,718	304,075,371	297,229,029	996,835,199	832,632,747	39,286,916	31,511,764
Deferred Outflows	29,378,016	21,761,924	3,545,487	3,232,926	32,923,503	24,994,850	386,550	416,492
Liabilities								
Current	40,897,978	11,854,270	5,330,045	4,684,985	46,228,023	16,539,255	366,888	484,814
Long-term	328,951,678	357,647,078	67,552,435	79,497,133	396,504,113	437,144,211	171,734	700,019
Total Liabilities	369,849,656	369,501,348	72,882,480	84,182,118	442,732,136	453,683,466	538,622	1,184,833
Deferred Inflows	137,112,732	15,939,336	5,845,279	3,436,285	142,958,011	19,375,621	4,904,992	1,551,165
Net Position								
Net investment in capital assets	133,711,581	128,432,152	165,916,250	158,425,568	299,627,831	286,857,720	31,637,517	28,508,842
Restricted	30,180,859	11,810,879	42,713,237	42,169,068	72,894,096	53,979,947	-	-
Unrestricted	51,283,016	31,481,927	20,263,612	12,248,916	71,546,628	43,730,843	2,592,335	683,416
Total Net Position	\$215,175,456	\$171,724,958	\$228,893,099	\$212,843,552	\$444,068,555	\$384,568,510	\$34,229,852	\$29,192,258

- As of December 31, 2021, total assets and deferred outflows exceeded liabilities and deferred inflows by \$444,068,555, an increase of \$59,500,045, or 15.5%, from the net position level as of December 31, 2020.

- Governmental activities net position of \$215,175,456 increased by \$43,450,498, or 25.3%, from December 31, 2020
- Business-type net position of \$228,893,099 increased by \$16,049,547, or 7.5%, from December 31, 2020.
- Government-wide assets and deferred outflows of resources as of December 31, 2021 of \$1,029,758,702 increased by \$172,131,105 or 20.1% as compared to total assets and deferred outflows of resources as of December 31, 2020. This increase was primarily attributable to a change in reporting of property taxes receivable and an historic influx of cash stemming in part from the partial implementation of the American Rescue Plan Act.
- Government-wide liabilities and deferred inflows of resources as of December 31, 2021 of \$585,960,147 increased by \$112,631,060 or 23.8% as compared to total liabilities and deferred inflows of resources as of December 31, 2020. This decrease was driven primarily by an increase in deferred inflows of resources related to property taxes receivable and pensions, as well as by a large increase in unearned revenue stemming from the unspent proceeds from the American Rescue Plan Act.

Statement of Activities

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues								
<i>Program revenues</i>								
Charges for services	\$13,124,512	\$11,839,297	\$73,058,116	\$70,180,688	\$86,182,628	\$82,019,985	\$1,153,798	\$1,049,261
Operating grants	20,180,108	20,139,125	-	-	20,180,108	20,139,125	6,875,996	6,846,087
Capital grants	3,742,319	949,034	743,450	2,142,194	4,485,769	3,091,228	6,085,789	829,684
<i>General revenues</i>								
Property tax	87,866,397	80,188,143	-	-	87,866,397	80,188,143	4,198,981	3,979,559
Other tax	36,341,152	37,500,874	1,037,500	956,250	37,378,652	38,457,124	-	-
State-shared revenue	13,357,839	12,242,415	-	-	13,357,839	12,242,415	-	-
Investment earnings	(52,191)	2,152,868	4,084	639,006	(48,107)	2,791,874	2,127	7,996
Other revenue	19,107,047	17,998,244	-	(28,470)	19,107,047	17,969,774	629	-
Total revenues	193,667,183	183,010,000	74,843,150	73,889,668	268,510,333	256,899,668	18,317,320	12,712,587
Expenses								
General government	13,099,391	15,594,628	-	-	13,099,391	15,594,628	-	-
Public safety	66,584,412	71,038,475	-	-	66,584,412	71,038,475	-	-
Highways & streets	29,402,967	30,954,585	-	-	29,402,967	30,954,585	-	-
Economic development	18,151,702	33,591,809	-	-	18,151,702	33,591,809	-	-
Culture & recreation	20,298,172	18,219,658	-	-	20,298,172	18,219,658	-	-
Interest on long-term debt	5,517,287	5,928,006	-	-	5,517,287	5,928,006	-	-
Water utility	-	-	14,387,728	15,426,501	14,387,728	15,426,501	-	-
Wastewater utility	-	-	29,248,157	30,400,218	29,248,157	30,400,218	-	-
Century center	-	-	3,826,100	3,513,761	3,826,100	3,513,761	-	-
Building department	-	-	1,346,344	1,500,424	1,346,344	1,500,424	-	-
Parking	-	-	966,418	1,262,908	966,418	1,262,908	-	-
Solid waste	-	-	6,133,675	6,169,271	6,133,675	6,169,271	-	-
Emergency medical svcs	-	-	2,017	91,057	2,017	91,057	-	-
Morris Performing Arts Ctr	-	-	45,918	-	45,918	-	-	-
Public transportation	-	-	-	-	-	-	13,279,726	12,905,984
Total expenses	153,053,931	175,327,161	55,956,357	58,364,140	209,010,288	233,691,301	13,279,726	12,905,984
Change in Net Position								
Before transfers	40,613,252	7,682,839	18,886,793	15,525,528	59,500,045	23,208,367	5,037,594	(193,397)
Transfers	2,837,246	8,101,414	(2,837,246)	(8,101,414)	-	-	-	-
Change in Net Position	43,450,498	15,784,253	16,049,547	7,424,114	59,500,045	23,208,367	5,037,594	(193,397)
Beginning 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
Ending Net Position	\$215,175,456	\$171,724,958	\$228,893,099	\$212,843,552	\$444,068,555	\$384,568,510	\$34,229,852	\$29,192,258

Governmental Activities

Net position for governmental activities increased by \$43,450,498 during fiscal 2021, an increase of 25.3% from the balance of net position as of December 31, 2020. Governmental activity revenue (including transfers) increased by \$10,657,183 or 5.8%, while governmental activity expenses decreased by \$22,273,230 or 12.7%.

The governmental activities revenue increases were due primarily to stronger-than-expected property tax revenue in 2021.

Governmental activities expenses decreased significantly in 2021, due primarily to low pension expense in 2021 (based on actuarial changes to the city's net pension liability) and lower-than-expected personnel expenses, particularly in public safety positions.

Business-type Activities

Net position from business-type activities increased by \$16,049,547 (7.5%) from the balance of net position at December 31, 2020. During 2021, business-type activities revenue of \$74,843,150 increased by \$953,482 or 1.3%, over fiscal 2020. During 2021, business-type activities expenses of \$55,956,357 decreased by \$2,407,783 or 4.1% compared to fiscal 2020.

These changes are due primarily to the normal fluctuations in operations from year-to-year. The decrease in expenses is largely due to low pension expense in 2021 (based on actuarial changes to the city's net pension liability).

Component Unit

Net position for the South Bend Public Transportation Corporation increased by \$5,037,594 (17.3%) from the balance of net position at December 31, 2020.

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.

The following balance sheet presents a consolidated look at the City's governmental funds, which account for 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.

These funds are accounted for on the modified accrual basis of accounting.

**Condensed Balance Sheet,
Statement of Revenue, Expenditures, and Changes in Fund Balance
As of and for the Year Ended December 31, 2021**

	General Fund	Parks and Recreation	Local Income Tax – Public Safety	Local Income Tax – Cert. Shares	Local Income Tax – Econ. Dev.	American Rescue Plan	River West TIF	Nonmajor Funds	Total
Total assets	\$110,132,038	\$16,154,114	\$3,975,731	\$19,123,809	\$25,154,094	\$29,463,273	\$57,829,064	\$117,440,456	\$379,272,579
Total liabilities and deferred inflows of resources	46,730,407	10,850,764	628,856	984,065	497,716	29,455,024	18,302,408	21,431,657	128,880,897
Fund Balances									
Nonspendable	-	13,554	-	531,253	270,001	-	5,722,536	4,366,369	10,903,713
Restricted	-	5,289,796	3,346,875	-	-	8,249	33,804,120	82,947,523	125,396,563
Committed	-	-	-	-	-	-	-	8,053,213	8,053,213
Assigned	-	-	-	17,608,491	24,386,377	-	-	668,327	42,663,195
Unassigned	63,401,631	-	-	-	-	-	-	(26,633)	63,374,998
Total fund balances	63,401,631	5,303,350	3,346,875	18,139,744	24,656,378	8,249	39,526,656	96,008,799	250,391,682
Total liabilities and deferred inflows of resources and fund balances	110,132,038	16,154,114	3,975,731	19,123,809	25,154,094	29,463,273	57,829,064	117,440,456	379,272,579
Revenues	77,938,724	15,325,643	9,393,490	13,461,284	13,160,802	8,249	19,358,497	44,796,424	193,443,113
Expenditures	80,379,187	15,022,558	9,845,124	5,734,101	5,299,841	-	10,406,269	55,145,129	181,832,209
Excess of revenue (under) over expenditures	(2,440,463)	303,085	(451,634)	7,727,183	7,860,961	8,249	8,952,228	(10,348,705)	11,610,904
Other sources (uses)	3,933,306	1,249,791	-	(4,424,790)	(2,468,986)	-	(4,430,493)	20,902,770	14,761,598
Net Change in Fund Balances	1,492,843	1,552,876	(451,634)	3,302,393	5,391,975	8,249	4,521,735	10,554,065	26,372,502
Beginning Fund Balance	61,908,788	3,750,474	3,798,509	14,837,351	19,264,403	-	35,004,921	85,454,734	224,019,180
Ending Fund Balance	63,401,631	5,303,350	3,346,875	18,139,744	24,656,378	8,249	39,526,656	96,008,799	250,391,682

As of December 31, 2021, the City governmental funds reported a combined ending fund balance of \$250,391,682. This fund balance is comprised of the following components:

- The nonspendable fund balance of \$10,903,713 is sequestered for inventory, prepaids, the long-term portions of notes/loans receivable, and property held for resale, and is, therefore, not available for new spending.
- The restricted fund balance of \$125,396,563 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 \$8,053,213 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 \$42,663,195 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 \$63,374,998 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, 2021, the General Fund balance of \$63,401,631 represents an increase of \$1,492,843, or 2.4% from the balance as of December 31, 2020. The increase was due primarily to higher property tax revenue during 2021 than expected and lower spending for public safety and administration than anticipated.

As of December 31, 2021, the General Fund had an unassigned fund balance of \$63,401,631, which is equal to 78.9% of 2021 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 2021 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 2021.

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 50% of annual expenditures and exceeded this target at December 31, 2021.

The **Parks and Recreation Fund** balance increased by \$1,552,876 during 2021, due primarily to a planned buildup of fund balance following a large spenddown in 2019. As of December 31, 2021, the fund balance in the Parks and Recreation Fund was \$5,303,350, or 35.3% of 2021 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, 2021.

The **Local Income Tax – Public Safety Fund** 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 Local Income Tax – Public Safety 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. Local Income Tax – Public Safety funds are used to cover the personnel costs of police officers and firefighters. Receipts of Local Income Tax – Public Safety tax revenue commenced in January 2010. The decrease in fund balance in the amount of \$451,634 during 2021 was due primarily to an intentional strategy of spending down this fund balance before expending unassigned general fund dollars. This strategy will continue and accelerated in 2022. The ending fund balance was \$3,346,875, or 34% of annual expenditures.

The **Local Income Tax – Certified Shares** and **Local Income Tax – Economic Development** 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 Local Income Tax – Certified Shares fund balance increased by \$3,302,393 during 2021, due primarily to an unanticipated excess income tax distribution. The City has operationally sequestered these 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, 2021, the Local Income Tax – Certified Shares Fund balance was \$18,139,744, or 316% of 2021 expenditures and transfers out. This level of fund reserves is significantly higher than the City policy target of 50%.

The Local Income Tax – Economic Development Fund balance increased by \$5,391,975 during 2021 due to an unanticipated excess income tax distribution and lower-than-expected transfers to other City operational funds. The City has operationally sequestered Local Income Tax – Economic Development 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, 2021, the Local Income Tax – Economic Development fund balance was \$24,656,378, or 465% of 2021 expenditures and transfers out. The City policy target is 50%.

The **American Rescue Plan Fund** is used to account for the proceeds from the American Rescue Plan Act, which was signed by President Joe Biden in 2021. As a part of this legislation, the City of South Bend received nearly \$60 million in “State and Local Fiscal Recovery Funds”. The first distribution of these funds (equal to half the total awarded amount) was received by the City in 2021, with the second tranche to be received in 2022. In 2021, the City did not utilize any of this funding, but has plans to do so in 2022. The ending fund balance of this fund as of December 31, 2021 was \$8,249, since these assets were almost entirely offset by a deferred inflow of resources.

The fund balance in the **River West TIF Fund** increased by \$4,521,735 during 2021. This change was the result of higher-than-expected property tax receipts and longer-than-anticipated lead times on certain capital projects financed by this capital project fund. As of December 31, 2021, the River West TIF Fund balance was \$39,526,656, entirely restricted for use in economic development projects.

During 2021, the fund balances in **nonmajor governmental funds** increased by \$10,554,065, due primarily to higher-than-expected property tax receipts in the other TIF funds and longer-than-anticipated lead times on certain capital projects financed by TIF funds, as well as by an infrastructure bond that was issued in 2021 but not fully spent during the year.

The total balance in nonmajor governmental funds was \$96,008,799 as of December 31, 2021. 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, 2021, with comparison to the prior year:

	2021 Actual	% of Total	2020 Actual	% of Total
Tax Based				
General Property	\$87,866,397	45.4%	\$80,188,143	44.0%
Local Income Tax	35,736,715	18.5%	36,897,937	20.2%
Hotel/Motel Tax	604,437	0.3%	602,937	0.3%
Total Tax	124,207,549	64.2%	117,689,017	64.5%
Non-Tax Based				
Licenses & Permits	303,837	0.2%	311,100	0.2%
Intergovernmental	36,241,803	18.7%	33,326,540	18.3%
Charges for Services	13,165,015	6.8%	11,286,157	6.2%
Fines and Forfeitures	613,971	0.3%	647,214	0.4%
Interest Income	(52,191)	0.0%	2,152,868	1.2%
Other	18,963,129	9.8%	16,959,591	9.3%
Total Non-Tax Based	69,235,564	35.8%	64,683,470	35.5%
Total Revenues	\$193,443,113	100.0%	\$182,372,487	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 "circuit breaker" property tax caps) 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
- 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 \$124,207,549 during 2021 and increased by \$6,518,532, or 5.5%, from 2020. Property tax revenue was stronger than expected during 2021, driven by rising real estate values. Fortunately, this was sufficient to more than offset a small decrease in income tax revenue.

Total non-tax-based revenue was \$69,235,564 in 2021 and increased \$4,552,094, or 7.0%, from 2020. This is due primarily due to high intergovernmental revenue.

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, 2021, in comparison to fiscal year 2020.

	2021 Actual	% of Total	2020 Actual	% of Total
General Government	\$14,088,456	7.7%	\$14,890,828	7.8%
Public Safety	80,411,282	44.2%	77,145,197	40.3%
Highways and Streets	15,999,114	8.8%	18,741,789	9.8%
Community & Economic Development	12,791,198	7.0%	12,593,759	6.6%
Culture and Recreation	16,644,748	9.2%	15,993,587	8.4%
Debt Service	22,253,947	12.2%	20,889,581	10.9%
Capital Outlay	19,643,464	10.8%	31,186,219	16.3%
Total Expenditures	\$181,832,209	100.0%	\$191,440,960	100.0%

Governmental fund expenditures in fiscal 2021 of \$181,832,209 decreased by \$9,608,751, or 5.0%, in comparison to governmental fund expenditures in fiscal 2020.

Capital outlay expenditures decreased by \$11,542,755, or 37.0%, during 2021 due primarily to a intentional freeze on new capital projects in the 2021 budget stemming from ongoing financial uncertainty related to the COVID-19 pandemic. The City expects this number to increase in future years.

Public Safety expenditures continue to be the primary use of government fund resources with 44.2% of expenditures used for this purpose in fiscal 2021. Public safety spending is followed by:

- debt service expenditures (12.2%),
- capital outlay expenditures (10.8%),
- culture and recreation (9.2%),
- highways and streets (8.8%),
- general government (7.7%), and
- community and economic development (7.0%).

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, 2021

	Enterprise Funds				Governmental Activities Proprietary Internal Service
	Water Utility	Wastewater Utility	Nonmajor Enterprise	Total	
Total assets	\$77,954,511	\$195,723,011	\$30,404,614	\$304,082,136	\$25,605,658
Total deferred outflows	833,536	2,139,848	572,103	3,545,487	1,012,824
Total liabilities	14,483,892	54,449,885	3,955,468	72,889,245	9,393,518
Total deferred inflows	2,387,438	2,343,339	1,114,502	5,845,279	1,973,064
Net Position					
Net investment in capital assets	42,390,632	101,758,306	21,767,312	165,916,250	961,320
Restricted:					-
Customer repair & deposit	1,275,408	2,900,342	-	4,175,750	-
Bond reserve	1,418,562	3,738,309	-	5,156,871	-
Operating reserve	2,903,758	5,533,851	-	8,437,609	-
Capital outlay	9,643,440	14,315,857	983,710	24,943,007	-
Unrestricted	4,284,917	12,822,970	3,155,725	20,263,612	14,290,580
Total net position	61,916,717	141,069,635	25,906,747	228,893,099	15,251,900
Operating revenues	21,475,588	41,492,806	10,086,436	73,054,830	37,725,213
Operating expenses	14,060,542	27,594,387	12,283,456	53,938,385	36,472,722
Operating income (loss)	7,415,046	13,898,419	(2,197,020)	19,116,445	1,252,491
Non-operating revenues (expenses)	(317,091)	(1,620,809)	964,798	(973,102)	(77,879)
Income (loss) before contributions & transfers	7,097,955	12,277,610	(1,232,222)	18,143,343	1,174,612
Capital contributions	85,730	657,720	-	743,450	-
Transfers in	621,317	1,673,683	1,796,371	4,091,371	6,667
Transfers out	(1,681,201)	(4,543,120)	(704,296)	(6,928,617)	(6,667)
Change in Net Position	6,123,801	10,065,893	(140,147)	16,049,547	1,174,612
Total Net Position - Beginning (restated)	55,792,916	131,003,742	26,046,894	212,843,552	14,077,288
Total Net Position - Ending	\$61,916,717	\$141,069,635	\$25,906,747	\$228,893,099	\$15,251,900

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

The City maintains eight (8) 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 and Wastewater Utility, which are considered major enterprise funds. Data from the other six (6) nonmajor enterprise funds (Century Center, Consolidated Building Department, Parking Garage, Solid Waste, Emergency Medical Services, and Morris Performing Arts Center) 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, 2021, City enterprise funds reported a net position of \$228,893,099, which represents an increase of \$16,049,547, or 7.5%, from the net position as of December 31, 2020.

As of December 31, 2021, enterprise fund net position includes net investment in capital assets of \$165,916,250, restricted net position of \$42,713,237 and unrestricted net position of \$20,263,612.

During 2021, the **Water utility** experienced an increase in net position of \$6,123,801 and the **Wastewater utility** experienced an increase in net position of \$10,065,893. The Water utility experienced decreased operating revenues of \$60,702 while the Wastewater utility experienced an increase in operating revenue of \$1,849,370.

Nonmajor Enterprise Funds experienced a decrease in net position of \$140,147 during 2021, which was due primarily to a continued slowdown in services stemming from the COVID-19 pandemic. The **Century Center Fund** reported a decrease in net position of \$1,420,714, which was a direct result of being shut down for a good portion of 2021 due to the pandemic. The **Parking Garage Fund** reported a decrease in net position of \$14,925. The **Consolidated Building Fund** reported an increase in net position of \$172,352 during 2021. The **Solid Waste Fund** reported an increase in net position of \$1,779,666, which was driven exclusively by a transfer into this fund from the General Fund to help maintain services over the next several years, while having a glidepath to higher rates. The **Emergency Medical Services Fund** reported a decrease in net position of \$610,608, as a result of the reclassification of EMS activities from “business-type” to “governmental” and the associated closing of this proprietary fund in 2021. The **Morris Performing Arts Center Fund** was opened with the 2022 budget, and the only activity in 2021 relates to accrued liabilities incurred in 2021, but not paid until 2022. As such, this fund had a decrease in net position of \$45,918 and sits in a negative net position as of December 31, 2021.

Internal Services Funds reported net position of \$15,251,900 as of December 31, 2021, an increase of \$1,174,612 compared to net position as of December 31, 2020. The **Liability Insurance Fund** decreased in net position by \$903,682 in 2021. The **Central Services Fund** decreased its net position by \$215,406. The **Self-Funded Employee Benefits Fund** increased in net position by \$836,559 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, and increased in net position by \$1,333,605 in fiscal 2021. The **Unemployment Compensation Insurance Fund** increase in position by \$41,084, and the **Parental Leave Fund** increased in net position by \$68,091.

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	\$ 978,665	\$ 1,641,403
Total liabilities	2	1,641,403
Fiduciary net position restricted for pensions	978,663	-
Total additions	10,054,307	863,627
Total deductions	10,087,092	863,627
Net increase (decrease) in net position held in trust	\$ (32,785)	\$ -

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 2021 budget at its meeting held in October 2020.

The General Fund budget applicable for fiscal 2021 is reported as follows:

	Original <i>(inclusive of encumbrances carried forward)</i>	Final	Actual Budgetary Basis	Variance
Revenues / Transfers In	\$ 70,894,494	\$ 77,037,492	\$ 77,083,789	\$ 46,297
Expenditures / Transfers Out	74,305,754	78,446,868	75,567,091	2,879,777
Surplus (Deficit)	\$ (3,411,260)	\$ (1,409,376)	\$ 1,516,698	\$ 2,926,074

General Fund revenues/transfers in was originally budgeted at \$70,894,494 for fiscal 2021. During the year, the General Fund budget for revenue/transfers in was increased by \$6,142,998 to \$77,037,492. The revenue 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 2021, the General Fund collected \$77,083,789 in revenues/transfers in on a budgetary basis, which was \$6,189,295 higher than the original budget. This difference is 8.7% higher than the original budget. This increase over budget is due mainly to the receipt of higher-than-expected property taxes in 2021.

General Fund expenditures/transfers out were originally budgeted at \$74,305,754 for fiscal 2021, which included roughly \$1.1 million in encumbrances that were carried forward from a previous year. During the year, the General Fund expenditure/transfers out budgets were increased by \$4,141,114 to \$78,446,868. This increase was largely driven by the budgeting of transfers from the General Fund.

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 2021, 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, 2021, amounted to \$75,567,091. The expenditures/transfers out and commitments as of year-end December 31, 2021 are less than the 2021 amended General Fund budget by \$2,879,777 or 3.6%. 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	
	2021	2020	2021	2020	2021	2020
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	16,404,213	13,723,541	14,328,420	7,939,233	30,732,633	21,662,774
Total	30,900,354	28,219,682	16,915,033	10,525,846	47,815,387	38,745,528
Assets depreciated						
Buildings	139,855,410	138,289,640	82,332,850	81,937,260	222,188,260	220,226,900
Non-building improvements	47,737,443	42,072,478	27,112,178	27,112,178	74,849,621	69,184,656
Machinery and Equipment	54,841,204	54,129,803	41,923,785	39,855,203	96,764,989	93,985,006
Roads and Infrastructure	484,619,434	482,176,059	237,924,362	237,041,548	722,543,796	719,217,607
Total Cost	727,053,491	716,667,980	389,293,175	385,946,189	1,116,346,666	1,102,614,169
Accumulated Depreciation						
Buildings	63,451,489	59,574,451	43,314,941	41,624,225	106,766,430	101,198,676
Non-building improvements	14,459,065	12,693,293	12,296,313	11,048,779	26,755,378	23,742,072
Machinery and Equipment	42,019,616	40,148,007	28,933,982	26,516,310	70,953,598	66,664,317
Roads and Infrastructure	366,512,165	353,694,281	95,483,669	89,862,870	461,995,834	443,557,151
Total Accum. Depreciation	486,442,335	466,110,032	180,028,905	169,052,184	666,471,240	635,162,216
Net Depreciated Assets	240,611,156	250,557,948	209,264,270	216,894,005	449,875,426	467,451,953
Net Capital Assets	\$271,511,510	\$278,777,630	\$226,179,303	\$227,419,851	\$497,690,813	\$506,197,481

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 \$722,543,796 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 2021

Included in capital asset additions for 2021 were the following major projects:

- River Walk Upgrades (Beyer Street to Howard Park) (\$3,429,279)
- Historic Leeper Park Improvements (\$2,156,273)
- Cleveland/Brick Road Paving Improvements (\$1,255,644)

Capital Assets Analysis

As of December 31, 2021, government-wide capital assets were valued at \$497,690,813, net of accumulated depreciation, a decrease of \$8,506,668, or 1.7%, since December 31, 2020. Construction in Progress increased by \$9,069,859 and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$17,576,527, net of depreciation, since December 31, 2020.

As of December 31, 2021, the cost of Roads & Infrastructure (\$722,543,796) was the major asset class followed by Buildings (\$222,188,260) and Machinery & Equipment (\$96,764,989).

Total depreciation expense was \$33,459,812 for 2021, as compared to \$34,106,851 for 2020. Depreciation expense was \$21,747,814 for governmental activities and \$11,711,998 for business-type activities for 2021.

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, 2021 was \$218,219,621, a decrease of \$12,414,271, or 5.4% from 2020. 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	\$ 17,005,155	\$ -	\$ (1,054,592)	\$ 15,950,563
Revenue Bonds	118,820,313	8,860,022	(8,914,455)	118,765,880
Mortgage Bonds	8,389,572	-	(2,044,476)	6,345,096
Notes and Loans	3,405,904	-	(326,878)	3,079,026
Capital Leases	13,712,755	4,579,762	(5,403,218)	12,889,299
Total Governmental Activities Debt	161,333,699	13,439,784	(17,743,619)	157,029,864
Business-Type Activities				
Revenue Bonds	64,329,826	14,339,893	(20,094,879)	58,574,840
Mortgage Bonds	40,771	-	(40,771)	-
Notes and Loans	1,816,433	-	(1,595,721)	220,712
Capital Leases	3,113,163	758,270	(1,477,228)	2,394,205
Total Business-Type Activities Debt	69,300,193	15,098,163	(23,208,599)	61,189,757
Total Debt	\$ 230,633,892	\$ 28,537,947	\$(40,952,218)	\$ 218,219,621

During 2021, the City entered into capital lease agreements in the amount of \$4,579,762 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 2021 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 2021 – a refunding of 2009 and 2011 Sewage Works

Revenue bonds (new principal amount: \$12,450,000) and a Economic Development Income Tax bond to support infrastructure and roads projects (\$7,610,000). Neither of these debt issuances are 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 is one event that occurred subsequent to the end of 2021 that might have a material impact on the interpretation of the City's financial position:

1. On February 16, 2022, the City of South Bend issued two separate bonds.
 - a. First, the South Bend Redevelopment Authority issued \$6,395,000 in lease-rental revenue bonds to support various capital projects and improvements at the Morris Performing Arts Center.
 - b. Additionally, the City also issued \$5,715,000 in economic development lease-rental revenue bonds to support capital improvements at the Potawatomi Zoo.
 - c. The revenue backup on both bond issuances is hotel-motel tax revenues that are specifically designated by state statute to support the Morris Performing Arts Center and the Potawatomi Zoo (respectively).

Economic Factors and 2021 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 2021, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$41.2 million in taxable property tax levy due to the circuit breaker caps (Department of Local Government Finance, 2021 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. With the economic outlook for 2022 and beyond forecasted to be stronger, given the increased availability of vaccines for the COVID-19 virus and the corresponding easing of restrictions on gatherings and business, the City has opportunity to invest. Significant concerns linger (particularly around inflation and its impact on both city finances and resident well-being), but the City is excited to use recent-year surpluses to reinvest back into our community. 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.

2022 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 2021 and 2022 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 2023 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 2022 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, 2021.

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

Basic Financial Statements

December 31, 2021

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 133,144,173	\$ 10,884,216	\$ 144,028,389	\$ 1,566,000
Investments	159,945,637	15,136,378	175,082,015	-
Receivables:				
Accounts - net	2,102,142	6,932,279	9,034,421	881,493
Interest	154,935	38,589	193,524	-
Taxes	265,657	400,000	665,657	-
Property taxes	87,600,927	-	87,600,927	3,229,878
Loans	7,189,883	-	7,189,883	-
Lease	-	-	-	745,205
Internal balances	(19,296)	19,296	-	-
Inventory	956,420	867,515	1,823,935	431,671
Prepaid expenses	1,655,820	4,268	1,660,088	8,147
Restricted assets	76,725	43,613,527	43,690,252	-
Property held for resale	8,981,424	-	8,981,424	-
Net pension asset	19,193,872	-	19,193,872	756,630
Capital assets:				
Assets not subject to depreciation	30,900,354	16,915,033	47,815,387	1,561,191
Assets subject to depreciation - net	240,611,155	209,264,270	449,875,425	30,106,701
Total assets	<u>692,759,828</u>	<u>304,075,371</u>	<u>996,835,199</u>	<u>39,286,916</u>
Deferred outflows of resources				
Unamortized loss on refunding	2,124,663	964,136	3,088,799	-
Deferred outflows related to pensions	22,829,057	1,830,189	24,659,246	386,550
Deferred outflows related to OPEB	4,424,296	751,162	5,175,458	-
Total deferred outflows of resources	<u>29,378,016</u>	<u>3,545,487</u>	<u>32,923,503</u>	<u>386,550</u>
Liabilities				
Accounts payable	5,089,729	2,205,275	7,295,004	74,906
Due to other governmental units	107,398	-	107,398	-
Performance deposits payable	105,425	7,000	112,425	-
Accrued liabilities and other:				
Accrued payroll payable	2,332,485	449,677	2,782,162	155,578
Accrued interest payable	2,169,993	111,265	2,281,258	-
Taxes payable	282,886	126,998	409,884	-
Other current payables	450,438	140,705	591,143	112,005
Customer deposits payable	810,439	2,289,125	3,099,564	-
Unearned revenue	29,549,185	-	29,549,185	24,399
Noncurrent liabilities:				
Due within one year:				
Compensated absences	4,623,871	174,965	4,798,836	171,734
Claims payable	4,001,006	-	4,001,006	-
General obligation bonds payable	1,040,000	-	1,040,000	-
Revenue bonds payable	8,838,699	7,499,257	16,337,956	-
Mortgage bonds payable	1,735,000	-	1,735,000	-
Notes and loans payable	297,175	24,682	321,857	-
Capital leases	4,330,296	1,202,645	5,532,941	-
Due in more than one year:				
General obligation bonds payable	14,910,563	-	14,910,563	-
Revenue bonds payable	109,914,490	51,075,583	160,990,073	-
Mortgage bonds payable	4,610,096	-	4,610,096	-
Notes and loans payable	2,781,851	196,030	2,977,881	-
Capital leases	8,559,003	1,191,560	9,750,563	-
Net pension liability	140,244,301	2,271,657	142,515,958	-
Total OPEB liability	23,065,327	3,916,056	26,981,383	-
Total liabilities	<u>369,849,656</u>	<u>72,882,480</u>	<u>442,732,136</u>	<u>538,622</u>

Statement of Net Position (Continued)

December 31, 2021

	Governmental Activities	Business-type Activities	Total	Component Unit
Deferred inflows of resources				
Unamortized gain on refunding	436,837	816,595	1,253,432	-
Deferred inflows related to pensions	40,476,678	3,568,857	44,045,535	1,675,114
Deferred inflows related to OPEB	8,598,290	1,459,827	10,058,117	-
Deferred inflows related to property taxes receivable	87,600,927	-	87,600,927	3,229,878
Total deferred inflows of resources	<u>137,112,732</u>	<u>5,845,279</u>	<u>142,958,011</u>	<u>4,904,992</u>
Net position				
Net investment in capital assets	133,711,581	165,916,250	299,627,831	31,637,517
Restricted:				
Debt service	10,986,987	-	10,986,987	-
Customer repair and deposit	-	4,175,750	4,175,750	-
Bond reserve	-	5,156,871	5,156,871	-
Operating reserve	-	8,437,609	8,437,609	-
Capital outlay	-	24,943,007	24,943,007	-
Net pension asset	19,193,872	-	19,193,872	-
Unrestricted	<u>51,283,016</u>	<u>20,263,612</u>	<u>71,546,628</u>	<u>2,592,335</u>
Total net position	<u>\$ 215,175,456</u>	<u>\$ 228,893,099</u>	<u>\$ 444,068,555</u>	<u>\$ 34,229,852</u>

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	\$ 13,099,391	\$ 619,851	\$ 192,140	\$ -	\$ (12,287,400)	\$ -	\$ (12,287,400)	\$ -
Public safety	66,584,412	6,322,288	10,516,623	-	(49,745,501)	-	(49,745,501)	-
Highways and streets	29,402,967	416,847	1,546,356	123,272	(27,316,492)	-	(27,316,492)	-
Community and economic development	18,151,702	1,973,800	6,932,826	2,380,584	(6,864,492)	-	(6,864,492)	-
Culture and recreation	20,298,172	3,791,726	992,163	1,238,463	(14,275,820)	-	(14,275,820)	-
Interest on long-term debt	5,517,287	-	-	-	(5,517,287)	-	(5,517,287)	-
Total governmental activities	153,053,931	13,124,512	20,180,108	3,742,319	(116,006,992)	-	(116,006,992)	-
Business-type activities:								
Water utility	14,387,728	21,486,628	-	85,730	-	7,184,630	7,184,630	-
Wastewater utility	29,248,157	41,517,462	-	657,720	-	12,927,025	12,927,025	-
Century center	3,826,100	1,465,145	-	-	-	(2,360,955)	(2,360,955)	-
Consolidated building	1,346,344	1,518,911	-	-	-	172,567	172,567	-
Parking garage	966,418	951,227	-	-	-	(15,191)	(15,191)	-
Solid waste	6,133,675	6,118,743	-	-	-	(14,932)	(14,932)	-
Emergency medical services	2,017	-	-	-	-	(2,017)	(2,017)	-
Morris performing arts center	45,918	-	-	-	-	(45,918)	(45,918)	-
Total business-type activities	55,956,357	73,058,116	-	743,450	-	17,845,209	17,845,209	-
Total primary government	\$ 209,010,288	\$ 86,182,628	\$ 20,180,108	\$ 4,485,769	\$ (116,006,992)	\$ 17,845,209	\$ (98,161,783)	\$ -
Component unit:								
South Bend Public Transportation Corp.	\$ 13,349,669	\$ 1,153,798	\$ 6,946,568	\$ 6,085,789	\$ -	\$ -	\$ -	\$ 836,486
General revenues:								
Taxes:								
Property taxes					87,866,397	-	87,866,397	4,198,981
Income taxes					35,736,715	-	35,736,715	-
Hotel/motel taxes					604,437	1,037,500	1,641,937	-
State-shared revenue					13,357,839	-	13,357,839	-
Unrestricted investment income (loss)					(52,191)	4,084	(48,107)	2,127
Gain (loss) on sale of capital assets					104,819	-	104,819	-
Other miscellaneous income					19,002,228	-	19,002,228	-
Total general revenues					156,620,244	1,041,584	157,661,828	4,201,108
Transfers					2,837,246	(2,837,246)	-	-
Change in net position					43,450,498	16,049,547	59,500,045	5,037,594
Net position - Beginning of year					171,724,958	212,843,552	384,568,510	29,192,258
Net position - End of year					\$ 215,175,456	\$ 228,893,099	\$ 444,068,555	\$ 34,229,852

	General Fund	Parks and Recreation	Local Income Tax Public Safety	Local Income Tax Certified Shares	Local Income Tax Economic Development	American Rescue Plan	River West TIF	Nonmajor Funds	Total
Assets									
Cash and cash equivalents	\$ 27,133,893	\$ 2,528,680	\$ 1,725,951	\$ 9,474,358	\$ 10,223,855	\$ 12,178,434	\$ 14,495,672	\$ 46,314,240	\$ 124,075,083
Investments	38,040,148	3,420,375	2,247,590	9,109,306	14,496,111	17,268,011	19,117,512	43,433,225	147,132,278
Receivables:									
Accounts	1,643,630	7,033	-	-	150,000	-	-	161,879	1,962,542
Interest	37,072	3,333	2,190	8,892	14,127	16,828	20,295	39,711	142,448
Taxes	-	-	-	-	-	-	-	265,657	265,657
Property taxes	43,277,295	10,181,139	-	-	-	-	17,838,049	16,304,444	87,600,927
Loans	-	-	-	-	-	-	635,000	6,554,883	7,189,883
Due from other funds	-	-	-	-	-	-	-	48	48
Advances to other funds	-	-	-	356,253	-	-	-	1,552,482	1,908,735
Inventory	-	13,554	-	-	-	-	-	-	13,554
Property held for resale	-	-	-	175,000	270,001	-	5,722,536	2,813,887	8,981,424
Total assets	<u>\$ 110,132,038</u>	<u>\$ 16,154,114</u>	<u>\$ 3,975,731</u>	<u>\$ 19,123,809</u>	<u>\$ 25,154,094</u>	<u>\$ 29,463,273</u>	<u>\$ 57,829,064</u>	<u>\$ 117,440,456</u>	<u>\$ 379,272,579</u>
Liabilities									
Accounts payable	\$ 253,346	\$ 317,235	\$ -	\$ 984,065	\$ 491,330	\$ -	\$ 415,834	\$ 2,049,510	\$ 4,511,320
Due to other funds	9,614	6,736	-	-	386	-	-	1,673	18,409
Due to other governments	107,398	-	-	-	-	-	-	-	107,398
Advances from other funds	-	-	-	-	-	-	-	1,908,735	1,908,735
Performance deposits payable	68,950	-	-	-	6,000	-	18,525	11,950	105,425
Accrued liabilities and other:									
Accrued payroll payable	1,256,719	203,949	488,040	-	-	-	-	246,213	2,194,921
Taxes payable	153,163	24,988	58,631	-	-	-	-	29,577	266,359
Other current payables	211,628	34,344	82,185	-	-	-	30,000	69,116	427,273
Customer deposits	-	-	-	-	-	-	-	810,439	810,439
Unearned revenue	-	82,373	-	-	-	29,455,024	-	-	29,537,397
Total liabilities	<u>2,060,818</u>	<u>669,625</u>	<u>628,856</u>	<u>984,065</u>	<u>497,716</u>	<u>29,455,024</u>	<u>464,359</u>	<u>5,127,213</u>	<u>39,887,676</u>
Deferred inflows of resources									
- unavailable revenue									
EMS Medicaid receivable	1,392,294	-	-	-	-	-	-	-	1,392,294
Property taxes receivable	43,277,295	10,181,139	-	-	-	-	17,838,049	16,304,444	87,600,927
Total deferred inflows of resources	<u>44,669,589</u>	<u>10,181,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,838,049</u>	<u>16,304,444</u>	<u>88,993,221</u>
Fund balances									
Nonspendable	-	13,554	-	531,253	270,001	-	5,722,536	4,366,369	10,903,713
Restricted	-	5,289,796	3,346,875	-	-	8,249	33,804,120	82,947,523	125,396,563
Committed	-	-	-	-	-	-	-	8,053,213	8,053,213
Assigned	-	-	-	17,608,491	24,386,377	-	-	668,327	42,663,195
Unassigned	63,401,631	-	-	-	-	-	-	(26,633)	63,374,998
Total fund balances	<u>63,401,631</u>	<u>5,303,350</u>	<u>3,346,875</u>	<u>18,139,744</u>	<u>24,656,378</u>	<u>8,249</u>	<u>39,526,656</u>	<u>96,008,799</u>	<u>250,391,682</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 110,132,038</u>	<u>\$ 16,154,114</u>	<u>\$ 3,975,731</u>	<u>\$ 19,123,809</u>	<u>\$ 25,154,094</u>	<u>\$ 29,463,273</u>	<u>\$ 57,829,064</u>	<u>\$ 117,440,456</u>	<u>\$ 379,272,579</u>

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2021

Fund balances reported in governmental funds	\$ 250,391,682
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	270,529,669
Prepaid expenses are not available to pay for current period expenditures, and therefore are not reported in the funds	86,129
Net pension assets are not available to pay for current period expenditures, and therefore are not reported in the funds	19,193,872
Deferred outflows on refunding are not due and payable in the current period and are not reported in the funds	2,124,663
Deferred outflows related to pensions are not due and payable in the current period and are not reported in the funds	22,110,961
Deferred outflows related to OPEB are not due and payable in the current period and are not reported in the funds	4,129,568
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	(154,937,896)
Accrued interest is not due and payable in the current period and is not reported in the funds	(2,146,897)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(4,518,154)
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.	(11,788)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(139,352,990)
Total OPEB liability does not present a claim on current financial resources and is not reported as fund liability	(21,528,816)
Deferred inflows on refunding are not receivable and not available to pay current period expenditures, and thus not included in the governmental fund balance	(436,837)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(39,076,394)
Deferred inflows of resources related to OPEB do not present a claim on current financial resources and are not reported as fund liabilities	(8,025,510)
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	1,392,294
Internal service funds are included as part of governmental activities	<u>15,251,900</u>
Net position of governmental activities	<u>\$ 215,175,456</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2021

	General Fund	Parks and Recreation	Local Income Tax Public Safety	Local Income Tax Certified Shares	Local Income Tax Economic Development	American Rescue Plan	River West TIF	Nonmajor Funds	Total
Revenues									
Property taxes	\$ 43,659,873	\$ 10,271,000	\$ -	\$ -	\$ -	\$ -	\$ 18,120,969	\$ 15,814,555	\$ 87,866,397
Income taxes	-	-	9,391,746	13,334,937	13,006,489	-	-	3,543	35,736,715
Hotel/motel taxes	-	-	-	-	-	-	383,000	221,437	604,437
Licenses and permits	258,054	253	-	-	-	-	-	45,530	303,837
Intergovernmental	15,815,822	1,111,437	-	-	-	-	868,707	18,445,837	36,241,803
Charges for services	5,286,199	2,922,965	-	-	-	-	-	4,955,851	13,165,015
Fines and forfeitures	6,235	12	-	-	-	-	-	607,724	613,971
Investment income (loss)	(25,156)	(7,808)	1,744	3,169	2,768	8,249	(17,079)	(18,078)	(52,191)
Other	12,937,697	1,027,784	-	123,178	151,545	-	2,900	4,720,025	18,963,129
Total revenues	<u>77,938,724</u>	<u>15,325,643</u>	<u>9,393,490</u>	<u>13,461,284</u>	<u>13,160,802</u>	<u>8,249</u>	<u>19,358,497</u>	<u>44,796,424</u>	<u>193,443,113</u>
Expenditures									
Current:									
General government	8,460,476	-	-	1,394,160	-	-	-	4,233,820	14,088,456
Public safety	67,430,055	-	9,845,124	40,000	2,612,931	-	-	483,172	80,411,282
Highways and streets	3,087,510	-	-	1,526,982	-	-	-	11,384,622	15,999,114
Community and economic development	-	-	-	-	1,914,560	-	635,001	10,241,637	12,791,198
Culture and recreation	1,230,452	14,004,200	-	952,929	-	-	-	457,167	16,644,748
Capital outlay:									
General government	-	-	-	-	-	-	-	49,478	49,478
Public safety	-	-	-	102,439	-	-	-	1,117,419	1,219,858
Highways and streets	23,229	-	-	-	-	-	1,668,860	8,550,470	10,242,559
Community and economic development	-	-	-	33,324	248,229	-	3,219,446	1,354,798	4,855,797
Culture and recreation	-	534,440	-	-	-	-	41,054	2,700,278	3,275,772
Debt service:									
Principal	145,798	452,898	-	1,631,258	314,344	-	3,883,193	9,694,232	16,121,723
Interest on long-term debt	1,667	31,020	-	53,009	209,777	-	958,715	4,619,040	5,873,228
Bond issuance costs	-	-	-	-	-	-	-	258,996	258,996
Total expenditures	<u>80,379,187</u>	<u>15,022,558</u>	<u>9,845,124</u>	<u>5,734,101</u>	<u>5,299,841</u>	<u>-</u>	<u>10,406,269</u>	<u>55,145,129</u>	<u>181,832,209</u>
Excess of revenues (under) over expenditures	<u>(2,440,463)</u>	<u>303,085</u>	<u>(451,634)</u>	<u>7,727,183</u>	<u>7,860,961</u>	<u>8,249</u>	<u>8,952,228</u>	<u>(10,348,705)</u>	<u>11,610,904</u>
Other financing sources (uses)									
Issuance of debt	-	-	-	1,598,000	-	-	-	8,945,000	10,543,000
Premium on debt	-	-	-	-	-	-	-	1,250,022	1,250,022
Proceeds from sale of capital assets	-	17,250	-	99,820	-	-	-	14,260	131,330
Transfers in	8,881,400	1,232,541	-	147,786	1,000,000	-	582,810	30,818,738	42,663,275
Transfers out	(4,948,094)	-	-	(6,270,396)	(3,468,986)	-	(5,013,303)	(20,125,250)	(39,826,029)
Total other financing sources (uses)	<u>3,933,306</u>	<u>1,249,791</u>	<u>-</u>	<u>(4,424,790)</u>	<u>(2,468,986)</u>	<u>-</u>	<u>(4,430,493)</u>	<u>20,902,770</u>	<u>14,761,598</u>
Net change in fund balances	1,492,843	1,552,876	(451,634)	3,302,393	5,391,975	8,249	4,521,735	10,554,065	26,372,502
Fund balances - Beginning of year	61,908,788	3,750,474	3,798,509	14,837,351	19,264,403	-	35,004,921	85,454,734	224,019,180
Fund balances - End of year	<u>\$ 63,401,631</u>	<u>\$ 5,303,350</u>	<u>\$ 3,346,875</u>	<u>\$ 18,139,744</u>	<u>\$ 24,656,378</u>	<u>\$ 8,249</u>	<u>\$ 39,526,656</u>	<u>\$ 96,008,799</u>	<u>\$ 250,391,682</u>

Governmental Funds

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

For the Year Ended December 31, 2021

Net change in fund balances - Total governmental funds	\$ 26,372,502
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	14,456,409
Depreciation expense	(21,618,777)
Net book value of assets disposed and transferred	(26,511)
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	15,433
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	(10,543,000)
Premium on debt proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(1,250,022)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	16,121,723
Other adjustments related to debt premiums, discounts, deferred inflows of resources, and deferred outflows of resources	519,565
Changes in accrued interest payable and other	95,372
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	880,537
Recognition of revenue previously received and available, and thus previously recognized in the governmental funds	(6,362)
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	(755,432)
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	(34,141)
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	18,048,590
Internal service funds are included as part of governmental activities - Change in net position	1,174,612
Change in net position of governmental activities	\$ 43,450,498

Proprietary Funds
Statement of Net Position
December 31, 2021

	Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Nonmajor Enterprise	Total	Proprietary Internal Service
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,703,516	\$ 6,367,237	\$ 1,813,463	\$ 10,884,216	\$ 9,069,090
Investments	3,827,797	9,020,478	2,288,103	15,136,378	12,813,359
Receivables:					
Accounts	1,946,626	4,042,911	1,102,842	7,092,379	139,600
Allowance for doubtful accounts	(50,000)	(85,100)	(25,000)	(160,100)	-
Interest	12,421	23,927	2,241	38,589	12,487
Taxes	-	-	400,000	400,000	-
Due from other funds	10,072	13,773	2,216	26,061	-
Inventory	672,325	160,786	34,404	867,515	942,866
Prepaid expenses	4,268	-	-	4,268	1,569,691
Total current assets	<u>9,127,025</u>	<u>19,544,012</u>	<u>5,618,269</u>	<u>34,289,306</u>	<u>24,547,093</u>
Noncurrent assets:					
Restricted assets	15,278,555	26,541,451	1,793,521	43,613,527	76,725
Capital assets:					
Assets not subject to depreciation	1,795,746	13,273,833	1,845,454	16,915,033	-
Assets subject to depreciation	51,753,185	136,363,715	21,147,370	209,264,270	981,840
Total noncurrent assets	<u>68,827,486</u>	<u>176,178,999</u>	<u>24,786,345</u>	<u>269,792,830</u>	<u>1,058,565</u>
Total assets	<u>77,954,511</u>	<u>195,723,011</u>	<u>30,404,614</u>	<u>304,082,136</u>	<u>25,605,658</u>
Deferred outflows of resources					
Unamortized loss on refunding	27,183	936,953	-	964,136	-
Deferred outflows related to pensions	571,708	852,858	405,623	1,830,189	718,096
Deferred outflows related to OPEB	234,645	350,037	166,480	751,162	294,728
Total deferred outflows of resources	<u>833,536</u>	<u>2,139,848</u>	<u>572,103</u>	<u>3,545,487</u>	<u>1,012,824</u>
Liabilities					
Current liabilities:					
Accounts payable	607,835	1,417,631	179,809	2,205,275	578,409
Due to other funds	-	2,855	3,910	6,765	935
Performance deposits payable	-	-	7,000	7,000	-
Accrued liabilities and other:					
Accrued payroll payable	129,679	189,160	130,838	449,677	137,564
Accrued interest payable	1,925	101,346	7,994	111,265	23,096
Taxes payable	80,934	25,684	20,380	126,998	16,527
Other current payables	21,821	64,673	54,211	140,705	23,165
Customer deposits payable	1,277,052	903,121	108,952	2,289,125	-
Compensated absences	62,863	45,780	66,322	174,965	105,717
Claims payable	-	-	-	-	4,001,006
Revenue bonds payable	1,224,257	6,275,000	-	7,499,257	-
Notes and loans payable	24,682	-	-	24,682	-
Capital leases	201,048	188,482	813,115	1,202,645	832,976
Total current liabilities	<u>3,632,096</u>	<u>9,213,732</u>	<u>1,392,531</u>	<u>14,238,359</u>	<u>5,719,395</u>
Noncurrent liabilities:					
Revenue bonds payable	8,722,870	42,352,713	-	51,075,583	-
Notes and loans payable	196,030	-	-	196,030	-
Capital leases	-	-	1,191,560	1,191,560	1,246,301
Net pension liability	709,612	1,058,580	503,465	2,271,657	891,311
Total OPEB liability	1,223,284	1,824,860	867,912	3,916,056	1,536,511
Total noncurrent liabilities	<u>10,851,796</u>	<u>45,236,153</u>	<u>2,562,937</u>	<u>58,650,886</u>	<u>3,674,123</u>
Total liabilities	<u>14,483,892</u>	<u>54,449,885</u>	<u>3,955,468</u>	<u>72,889,245</u>	<u>9,393,518</u>

Proprietary Funds
Statement of Net Position (Continued)
December 31, 2021

	Enterprise Funds			Total	Governmental Activities
	Water Utility	Wastewater Utility	Nonmajor Enterprise		Proprietary Internal Service
Deferred inflows of resources					
Unamortized gain on refunding	816,595	-	-	816,595	-
Deferred inflows related to pensions	1,114,827	1,663,068	790,962	3,568,857	1,400,284
Deferred inflows related to OPEB	456,016	680,271	323,540	1,459,827	572,780
Total deferred inflows of resources	<u>2,387,438</u>	<u>2,343,339</u>	<u>1,114,502</u>	<u>5,845,279</u>	<u>1,973,064</u>
Net position					
Net investment in capital assets	42,390,632	101,758,306	21,767,312	165,916,250	961,320
Restricted:					
Customer repair and deposit	1,275,408	2,900,342	-	4,175,750	-
Bond reserve	1,418,562	3,738,309	-	5,156,871	-
Operating reserve	2,903,758	5,533,851	-	8,437,609	-
Capital outlay	9,643,440	14,315,857	983,710	24,943,007	-
Unrestricted	4,284,917	12,822,970	3,155,725	20,263,612	14,290,580
Total net position	<u>\$ 61,916,717</u>	<u>\$ 141,069,635</u>	<u>\$ 25,906,747</u>	<u>\$ 228,893,099</u>	<u>\$ 15,251,900</u>

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021

	Enterprise Funds				Governmental Activities
	Water Utility	Wastewater Utility	Nonmajor Enterprise	Total	Proprietary Internal Service
Operating revenues					
Metered revenue	\$ 14,882,289	\$ 40,268,444	\$ -	\$ 55,150,733	\$ -
Convention fees	-	-	1,343,366	1,343,366	-
Fire protection revenue	3,002,031	-	-	3,002,031	-
Licenses and permits	-	-	1,515,351	1,515,351	-
Interest and penalty charges	-	750	-	750	-
Parking fees	-	-	1,009,258	1,009,258	-
Solid waste fees	-	-	6,092,214	6,092,214	-
Employee/employer contributions	-	-	-	-	28,422,037
Charges for sales and services	-	-	-	-	7,330,034
Water leak insurance revenue	1,092,113	-	-	1,092,113	-
Charges to other funds	1,856,424	392,795	67,477	2,316,696	129,585
Other	642,731	830,817	58,770	1,532,318	1,843,557
Total operating revenues	<u>21,475,588</u>	<u>41,492,806</u>	<u>10,086,436</u>	<u>73,054,830</u>	<u>37,725,213</u>
Operating expenses					
Personnel services	3,808,625	6,088,951	2,759,573	12,657,149	4,689,679
Materials and supplies	1,058,780	1,584,208	875,926	3,518,914	6,067,036
Contractual services	5,125,555	5,840,381	3,642,471	14,608,407	7,105,072
Insurance claims and premiums	-	-	-	-	17,775,921
General and administration	2,267,793	6,347,746	2,837,178	11,452,717	705,977
Depreciation	1,799,789	7,733,101	2,168,308	11,701,198	129,037
Total operating expenses	<u>14,060,542</u>	<u>27,594,387</u>	<u>12,283,456</u>	<u>53,938,385</u>	<u>36,472,722</u>
Operating income (loss)	<u>7,415,046</u>	<u>13,898,419</u>	<u>(2,197,020)</u>	<u>19,116,445</u>	<u>1,252,491</u>
Nonoperating revenues (expenses)					
Investment income	(945)	8,305	(3,276)	4,084	2,023
Hotel/motel tax revenues	-	-	1,037,500	1,037,500	-
Interest expense	(327,186)	(1,653,770)	(37,016)	(2,017,972)	(64,821)
(Loss) gain on sale of assets	11,040	24,656	(32,410)	3,286	(15,081)
Total nonoperating revenues (expenses)	<u>(317,091)</u>	<u>(1,620,809)</u>	<u>964,798</u>	<u>(973,102)</u>	<u>(77,879)</u>
Income (loss) - Before contributions and transfers	<u>7,097,955</u>	<u>12,277,610</u>	<u>(1,232,222)</u>	<u>18,143,343</u>	<u>1,174,612</u>
Capital contributions - Other capital contributions	85,730	657,720	-	743,450	-
Transfers in	621,317	1,673,683	1,796,371	4,091,371	6,667
Transfers out	<u>(1,681,201)</u>	<u>(4,543,120)</u>	<u>(704,296)</u>	<u>(6,928,617)</u>	<u>(6,667)</u>
Change in net position	6,123,801	10,065,893	(140,147)	16,049,547	1,174,612
Net position - Beginning of year	<u>55,792,916</u>	<u>131,003,742</u>	<u>26,046,894</u>	<u>212,843,552</u>	<u>14,077,288</u>
Net position - End of year	<u>\$ 61,916,717</u>	<u>\$ 141,069,635</u>	<u>\$ 25,906,747</u>	<u>\$ 228,893,099</u>	<u>\$ 15,251,900</u>

Proprietary Funds
Statement of Cash Flows

For the Year Ended December 31, 2021

	Enterprise Funds			Total	Governmental Activities Proprietary Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise		
Cash flows from operating activities					
Receipts from customers and users	\$ 18,981,335	\$ 40,262,199	\$ 9,176,424	\$ 68,419,958	\$ 2,259,960
Receipts from interfund services and reimbursements	1,821,803	(13,773)	(2,216)	1,805,814	35,528,555
Payments to suppliers	(6,090,252)	(7,081,463)	(4,511,687)	(17,683,402)	(30,718,340)
Payments to employees	(4,544,351)	(6,900,756)	(3,989,698)	(15,434,805)	(5,323,573)
Internal activity - payments to other funds	(2,267,793)	(6,350,536)	(2,040,265)	(10,658,594)	(706,671)
Internal activity - payments from other funds	92,193	392,795	67,477	552,465	-
Net cash provided by (used in) operating activities	<u>7,992,935</u>	<u>20,308,466</u>	<u>(1,299,965)</u>	<u>27,001,436</u>	<u>1,039,931</u>
Cash flows from noncapital financing activities					
Transfers from other funds	621,317	1,673,683	1,796,371	4,091,371	6,667
Transfers to other funds	(1,681,201)	(4,543,120)	(704,296)	(6,928,617)	(6,667)
Hotel/motel tax	-	-	1,037,500	1,037,500	-
Repayments of loans to other funds	-	250,000	-	250,000	-
Repayments of loans from other funds	-	-	(250,000)	(250,000)	-
Proceeds from capital lease used for noncapital expenses	-	-	-	-	1,646,762
Principal paid on noncapital debt	-	-	-	-	(1,006,757)
Interest paid on noncapital debt	-	-	-	-	(50,358)
Net cash (used in) provided by noncapital financing activities	<u>(1,059,884)</u>	<u>(2,619,437)</u>	<u>1,879,575</u>	<u>(1,799,746)</u>	<u>589,647</u>
Cash flows from capital and related financing activities					
Proceeds from capital debt refunding	-	14,339,893	-	14,339,893	-
Proceeds from capital debt issued for future capital purchase	-	-	758,270	758,270	-
Proceeds from capital grant	-	68,000	-	68,000	-
Proceeds from sales of capital assets	11,040	24,656	-	35,696	1,472
Purchase of capital assets	(1,475,034)	(7,924,716)	(417,862)	(9,817,612)	(68,349)
Principal paid on capital debt	(1,390,548)	(20,571,848)	(886,142)	(22,848,538)	(10,371)
Interest paid on capital debt	(424,213)	(1,625,439)	(39,293)	(2,088,945)	(625)
Debt service charge	(1,000)	(162,937)	-	(163,937)	-
Net cash (used in) provided by capital and related financing activities	<u>(3,279,755)</u>	<u>(15,852,391)</u>	<u>(585,027)</u>	<u>(19,717,173)</u>	<u>(77,873)</u>
Cash flows from investing activities					
Interest received on investments	2,900	16,712	(2,874)	16,738	7,850
Proceeds from sale and maturities of investment securities	(559,591)	(576,494)	113,392	(1,022,693)	922,012
Net cash provided by (used in) investing activities	<u>(556,691)</u>	<u>(559,782)</u>	<u>110,518</u>	<u>(1,005,955)</u>	<u>929,862</u>
Net (decrease) increase in cash and cash equivalents	3,096,605	1,276,856	105,101	4,478,562	2,481,567
Cash and cash equivalents - beginning of year	<u>14,885,466</u>	<u>31,631,832</u>	<u>3,501,882</u>	<u>50,019,180</u>	<u>6,664,248</u>
Cash and cash equivalents - end of year	<u>\$ 17,982,071</u>	<u>\$ 32,908,688</u>	<u>\$ 3,606,983</u>	<u>\$ 54,497,742</u>	<u>\$ 9,145,815</u>

Proprietary Funds
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2021

	Enterprise Funds			Total	Governmental Activities Proprietary Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise		
Classification of cash and cash equivalents					
Cash and investments	\$ 6,531,313	\$ 15,387,715	\$ 4,101,565	\$ 26,020,593	\$ 21,882,449
Restricted cash and investments	15,278,555	26,541,451	1,793,521	43,613,527	76,725
Less amounts classified as investments	<u>(3,827,797)</u>	<u>(9,020,478)</u>	<u>(2,288,103)</u>	<u>(15,136,378)</u>	<u>(12,813,359)</u>
Total cash and cash equivalents	<u>\$ 17,982,071</u>	<u>\$ 32,908,688</u>	<u>\$ 3,606,983</u>	<u>\$ 54,497,742</u>	<u>\$ 9,145,815</u>
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	7,415,046	13,898,419	(2,197,020)	19,116,445	1,252,491
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,799,789	7,733,101	2,168,308	11,701,198	129,037
(Increase) decrease in assets					
Receivables	(653,826)	(1,092,578)	(849,040)	(2,595,444)	(40,622)
Due from other funds	57,572	(13,773)	(2,216)	41,583	103,922
Inventory	21,683	13,648	6,017	41,348	(94,160)
Prepaid expenses and other assets	(807)	16,423	7,661	23,277	(410,799)
Increase (decrease) in liabilities					
Accounts payable	54,415	275,392	(44,658)	285,149	(372,663)
Taxes payable	(3,028)	(1,364)	9,810	5,418	(838)
Due to other funds	-	(2,790)	(106,265)	(109,055)	(694)
Accrued payroll payable	4,967	(15,236)	31,988	21,719	(8,339)
Compensated absences payable	(177,750)	(263,797)	(73,795)	(515,342)	(175,771)
Customer deposits	15,996	254,768	6,504	277,268	-
Other current payables	21,821	39,026	27,883	88,730	23,165
Estimate of unfiled claims	-	-	-	-	1,188,946
(Increase) decrease in deferred outflows of resources					
Pension items	(201,870)	(335,970)	(156,186)	(694,026)	(270,953)
OPEB items	49,264	46,756	25,002	121,022	48,525
Increase (decrease) in net pension liabilities	(1,000,637)	(1,331,676)	(650,006)	(2,982,319)	(1,176,417)
Increase (decrease) in OPEB liability	(161,021)	(109,853)	(65,729)	(336,603)	(137,143)
Increase (decrease) in deferred inflows of resources					
Pension items	729,005	1,123,840	530,745	2,383,590	933,816
OPEB items	22,316	74,130	31,032	127,478	48,428
Total adjustments	<u>577,889</u>	<u>6,410,047</u>	<u>897,055</u>	<u>7,884,991</u>	<u>(212,560)</u>
Net cash provided by (used in) operating activities	<u>\$ 7,992,935</u>	<u>\$ 20,308,466</u>	<u>\$ (1,299,965)</u>	<u>\$ 27,001,436</u>	<u>\$ 1,039,931</u>
Noncash investing, capital, and financing activities					
Capital assets acquired through lease	\$ -	\$ -	\$ 354,135	\$ 354,135	\$ -
Capital assets disposed (at cost)	(72,874)	(343,294)	(351,519)	(767,686)	(64,822)
Capital assets transferred from/to another fund (cost)	10,800	-	-	10,800	(10,800)
Capital asset contribution	85,730	657,720	-	743,450	-
Work in progress completed transferred to capital assets	(197,480)	(813,185)	(287,318)	(1,297,983)	-
Accumulated depreciation on disposals of capital assets	72,874	343,294	319,110	735,277	48,268
Accumulated depreciation on transfers of capital assets	(10,800)	-	-	(10,800)	10,800

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2021

	Pension Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 404,524	\$ 1,641,403
Investments:		
U.S. Treasuries	80,881	-
U.S. Government Agency Securities	491,644	-
Tax-Exempt Municipal Bonds	1,057	-
Receivables - Interest	559	-
Total assets	978,665	\$ 1,641,403
Liabilities		
Accounts payable	2	-
Police distribution payable	-	1,641,403
Total liabilities	2	\$ 1,641,403
Net position restricted for pensions	\$ 978,663	

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2021

	Pension Trust Funds	Custodial Fund
Additions		
Investment income (loss) - Interest and dividends	\$ (1,783)	\$ -
Police asset seizures	-	863,627
Contributions:		
On behalf	10,051,971	-
Other	4,119	-
Total contributions	10,056,090	-
Total additions	10,054,307	863,627
Deductions		
Benefit payments	10,058,311	
Police distributions	-	863,627
Administrative expenses	28,781	-
Total deductions	10,087,092	863,627
Net (decrease) increase in net position	(32,785)	-
Net position - Beginning of year	1,011,448	-
Net position - End of year	\$ 978,663	\$ -

Notes to Financial Statements

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 found in the fund-based statements. The primary government is reported separately from the single

Note 1 – Summary of Significant Accounting Policies (Continued)

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.
 - During the year, the City determined that the Rainy Day fund did not meet the requirements of a special revenue fund and should be reported within the General Fund. As a result, the fund balance-beginning of year of the General Fund includes the fund balance-beginning of year of the Rainy Day fund of \$10,882,772.
- The Parks and Recreation Fund is used to account for the operation of the City parks 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 Local Income Tax – Public Safety 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 Local Income Tax – Certified Shares 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 Local Income Tax – Economic Development 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.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

- The American Rescue Plan Fund is used to account for the receipt and expenditures of the funds that the City received from the American Rescue Plan Act of 2021. As a part of this legislation, Congress allocated \$350 billion to state, local, territorial and Tribal governments to respond to the COVID-19 pandemic, provide economic relief, and lay the foundation for a strong and equitable recovery.
- The River West TIF (Tax Increment Financing) Fund is used to account for public improvement projects in the river west economic development area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following funds as “major” enterprise funds:

- The Water Utility Fund accounts for the operation of the City's water distribution system.
- The Wastewater Utility Fund accounts for the operation of the City's wastewater treatment plant, pumping stations, and collection systems.

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.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

- Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out.

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 investments at cost. A “nonparticipating” instrument is one that does not recognize market fluctuations in its valuation.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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 government-wide, proprietary fund, internal service 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:

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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 assets 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 assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The City has four items that qualify for reporting in this category: an unamortized gain on a refunding transaction, deferred inflows related to pensions (per GASB Statement No. 68) and OPEB (per GASB Statement No. 75), and deferred inflows related to property taxes receivable. The deferred inflow related to property taxes results from property taxes that are levied prior to the end of the fiscal year, but will not be received or legally allowed to be spent until a subsequent fiscal year.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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 or by the South Bend Redevelopment Commission. 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 and certain other Redevelopment Commission-controlled funds.
- Assigned fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For the governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed. Currently, state statute does not require the City's Common Council to undertake any resolution regarding the assignment of fund balances. Assignments of fund balance are imposed by informal action of the City Controller. Formal action by a governing body is not required to assign fund balances.
- The unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Only the General Fund may report a positive unassigned fund balance whereas other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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 Fund: 50% of annual expenditures
- Local Income Tax-Certified Shares: 50% of annual expenditures
- Local Income Tax-Economic Development: 50% of annual expenditures
- Water Works Operations: 5% of annual expenditures
- Wastewater Operations: 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, 2021 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 December 31 of the prior year. 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.

Property taxes levied not later than December 31 are recorded as a receivable at year-end, reduced by any amounts received prior to December 31 (if any) and an estimated allowance for uncollectible property taxes with an offset to deferred inflows of resources for the same amount. Property tax revenue is recognized in the year for which the taxes are levied, subject to the available and measurable criteria for property taxes reported in the funds financial statements.

Pension

The City offers several defined benefit pension plans to its employees. For each plan, 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 net pension liability in each plan, 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.

Net pension liability, expenses and deferred inflows and outflows of resources for each plan are allocated between governmental activities and proprietary funds based on applicable salaries covered by each plan.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The City offers post-employment 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 50% of the employee's base regular rate of pay.
 - 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 10 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. Non-bargaining employees carry over to the following year unused vacation time up to a maximum of 160 hours.
 - 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

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

not accumulate from year to year. Police officers unused personal leave may be rolled into sick leave.

- City employees under the teamster contract can use up to four days of their sick leave for personal leave. Personal leave of absence may be available for certain personal, family, and medical reasons when other forms of leave have been exhausted or otherwise not available.
- Leaves of absences are unpaid although employees may use accrued vacation, sick, and comp time. A leave of absence may not exceed 30 calendar days, however an employee facing exceptional circumstances may seek an additional 30 calendar day leave of absence subject to approval by the department and HR department. Employees who are enrolled in the City's insurance plans will be covered during the initial leave of absence, but benefit time, such as vacation and sick time, will not accrue during this period. While every effort will be made to retain employment opportunities for an individual during this time, there is no guarantee of employment at the completion of personal leave of absence.

• **Compensatory Leave**

- City firefighters can elect to receive compensation for overtime hours worked either through wage payment or compensatory time off work up to a maximum of 240 hours.
- All other non-exempt employees working overtime hours earn compensatory time off up to a maximum balance of 36 hours, after which they are paid overtime wage.
- All 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, nonmajor proprietary funds, 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.

December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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, 2022:

- *GASB Statement No. 87, Leases*
 - This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.
- *GASB Statement No. 91, Conduit Debt Obligations*
 - This Statement provides for a single method of reporting conduit debt obligations.
- *GASB Statement No. 92, Omnibus 2020*
 - This Statement addresses a variety of topics, including:
 - reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
 - The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
 - Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
 - This Statement addresses the following:
 - the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would
 - the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements
 - the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans

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:

December 31, 2021

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

Major governmental funds

- General Fund
- Special Revenue Funds - Park and Recreation, Local Income Tax-Public Safety, Local Income Tax-Certified Shares, Local Income Tax-Economic Development, American Rescue Plan
- 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 - 2003 Redevelopment Bond - Airport Taxable, 2003 Redevelopment Bond - Palais Royale, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service, 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
- Capital Projects Funds – Fire Department Capital, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Professional Sports Convention Development Area, 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, Equipment Vehicle Leasing, 2017 Park Bond Capital, 2017 Eddy St. Commons Bond Capital, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2021 Infrastructure 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 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

December 31, 2021

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

the appropriations for any controlled fund or any department of the General Fund. The legal level of budgetary control is by fund, 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 Local Income Tax-Public Safety Fund, the Local Income Tax-Certified Shares Fund, the Local Income Tax-Economic Development Fund, the American Rescue Plan Fund, or any other major or nonmajor governmental fund which required legally approved budgets.

Fund Deficits

As of December 31, 2021, the following fund reported a deficit in fund equity: COVID-19 Response Fund (\$26,633). 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 2022.

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 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.

Note 3 – Deposits and Investments (Continued)

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.

All City bank balances are insured by either the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. As such, 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, \$150,393,457 in U.S. Treasuries, U.S. Government Agency Securities, and Municipal Bond holdings was uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City must follow state statute and limit the stated final maturities of the investments to no more than five years. The City does not have a formal investment policy for interest rate risk.

At year end, the City had the following investments and maturities:

Investment Type	Fair Value	Maturity		
		Less than One Year	One to Two Years	More than Two Years
Time Deposits	\$ 41,210,483	\$ 11,511,320	\$ 21,475,533	\$ 8,223,630
U.S. Treasuries	21,207,010	6,012,810	15,194,200	-
U.S. Government Agency Securities	128,909,387	23,230,390	73,096,067	32,582,930
Tax-Exempt Municipal Bonds	277,060	277,060	-	-
Total	\$191,603,940	\$ 41,031,580	\$109,765,800	\$ 40,806,560

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.

Note 3 – Deposits and Investments (Continued)

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, 2021:

The fair value of U.S. Treasuries, U.S. Government Agency securities, and Tax-Exempt Municipal Bonds of \$150,393,457 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, 2021, 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	\$ 635,000	\$ 615,000
Nonmajor governmental funds:		
Community investment grants	166,900	130,182
Urban development action grant	385,577	367,299
Industrial revolving fund	6,002,406	4,681,877
Total nonmajor governmental funds	\$ 6,554,883	\$ 5,179,358

December 31, 2021

Note 5 – Net Investment in Capital Assets

The net investment in capital assets as of December 31, 2021 is calculated as follows:

	Governmental Activities	Business- type Activities	Total
Capital assets not subject to depreciation	\$ 30,900,354	\$ 16,915,033	\$ 47,815,387
Capital assets subject to depreciation - Net	240,611,155	209,264,270	449,875,425
Deferred outflows (capital related)	2,124,663	964,136	3,088,799
General obligations bonds payable-current	(1,040,000)	-	(1,040,000)
Revenue bonds payable - current	(8,838,699)	(7,499,257)	(16,337,956)
Mortgage bonds payable - current	(1,735,000)	-	(1,735,000)
Notes and loans payable - current	(297,175)	(24,682)	(321,857)
Capital leases payable - current	(3,505,389)	(1,202,645)	(4,708,034)
General obligations bonds payable-noncurrent	(14,910,563)	-	(14,910,563)
Revenue bonds payable - noncurrent	(109,914,490)	(51,075,583)	(160,990,073)
Mortgage bonds payable - noncurrent	(4,610,096)	-	(4,610,096)
Notes and loans payable - noncurrent	(2,781,851)	(196,030)	(2,977,881)
Capital leases payable - noncurrent	(7,325,153)	(1,191,560)	(8,516,713)
Deferred inflows (capital related)	(436,837)	(816,595)	(1,253,432)
Unspent debt proceeds	15,470,662	779,163	16,249,825
Net investment in capital assets	<u>\$133,711,581</u>	<u>\$165,916,250</u>	<u>\$299,627,831</u>

The business-type activities' unspent debt proceeds are capital lease proceeds, reported as restricted assets.

Note 6 – Capital Assets

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

Governmental Activities

	Balance January 1, 2021	Additions / Transfers	Disposals / Transfers	Balance December 31, 2021
Governmental Activities				
Capital assets, non-depreciable				
Land	\$ 14,496,141	\$ -	\$ -	\$ 14,496,141
Construction in progress	13,723,541	11,604,691	(8,924,019)	16,404,213
Total capital assets, non-depreciable	<u>28,219,682</u>	<u>11,604,691</u>	<u>(8,924,019)</u>	<u>30,900,354</u>
Capital assets, depreciable				
Buildings	\$ 138,289,640	\$ 1,565,770	\$ -	\$ 139,855,410
Improvements other than buildings	42,072,478	5,664,965	-	47,737,443
Machinery and equipment	54,129,803	2,169,975	(1,458,574)	54,841,204
Roads and other infrastructure	482,176,059	2,443,375	-	484,619,434
Subtotal	<u>716,667,980</u>	<u>11,844,085</u>	<u>(1,458,574)</u>	<u>727,053,491</u>
Less accumulated depreciation for:				
Buildings	\$ 59,574,451	\$ 3,877,038	\$ -	\$ 63,451,489
Improvements other than buildings	12,693,293	1,765,772	-	14,459,065
Machinery and equipment	40,148,007	3,287,119	(1,415,510)	42,019,616
Roads and other infrastructure	353,694,281	12,817,884	-	366,512,165
Subtotal	<u>466,110,032</u>	<u>21,747,813</u>	<u>(1,415,510)</u>	<u>486,442,336</u>
Net capital assets, depreciable	<u>250,557,948</u>	<u>(9,903,729)</u>	<u>(43,064)</u>	<u>240,611,155</u>
Total governmental activities capital assets, net	<u>\$278,777,630</u>	<u>\$ 1,700,962</u>	<u>\$ (8,967,083)</u>	<u>\$271,511,509</u>

December 31, 2021

Note 6 – Capital Assets (Continued)**Business-type Activities**

Business-type Activities	Balance January 1, 2021	Additions / Transfers	Disposals / Transfers	Balance December 31, 2021
Capital assets, non-depreciable				
Land	\$ 2,586,613	\$ -	\$ -	\$ 2,586,613
Construction in progress	7,939,233	7,687,170	(1,297,983)	14,328,420
Total capital assets, non-depreciable	<u>10,525,846</u>	<u>7,687,170</u>	<u>(1,297,983)</u>	<u>16,915,033</u>
Capital assets, depreciable				
Buildings	\$ 81,937,260	\$ 484,798	\$ (89,208)	\$ 82,332,850
Improvements other than buildings	27,112,178	-	-	27,112,178
Machinery and equipment	39,855,203	2,747,061	(678,479)	41,923,785
Roads and other infrastructure	237,041,548	882,814	-	237,924,362
Subtotal	<u>385,946,189</u>	<u>4,114,673</u>	<u>(767,687)</u>	<u>389,293,175</u>
Less accumulated depreciation for:				
Buildings	\$ 41,624,225	\$ 1,770,935	\$ (80,219)	\$ 43,314,941
Improvements other than buildings	11,048,779	1,247,534	-	12,296,313
Machinery and equipment	26,516,310	3,072,730	(655,058)	28,933,982
Roads and other infrastructure	89,862,870	5,620,799	-	95,483,669
Subtotal	<u>169,052,184</u>	<u>11,711,998</u>	<u>(735,277)</u>	<u>180,028,905</u>
Net capital assets, depreciable	<u>216,894,005</u>	<u>(7,597,325)</u>	<u>(32,410)</u>	<u>209,264,270</u>
Total business-type activities capital assets, net	<u>\$227,419,851</u>	<u>\$ 89,845</u>	<u>\$ (1,330,393)</u>	<u>\$226,179,303</u>

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	\$ 206,829
Public safety	2,751,432
Highways and streets, and other general infrastructure	14,193,266
Culture and recreation	3,969,953
Economic development	497,297
Internal service funds	129,037

Total governmental activities depreciation expense**\$ 21,747,814****Business-type Activities:**

Water	1,799,789
Wastewater	7,733,101
Century Center	1,036,059
Building department	42,754
Parking garages	342,117
Solid waste	747,378

Total business-type activities depreciation expense \$ 11,701,198Prior year accumulated depreciation transfer into business-type activities 10,800**Total additions to accumulated depreciation per depreciation schedules****\$ 11,711,998**

December 31, 2021

Note 6 – Capital Assets (Continued)

Construction in Progress

The City has active construction projects at year end. As of December 31, 2021, the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Governmental activities:		
Bendix Drive - Lathrop to Toll Road	\$ 2,472,417	\$ 2,825,371
Corby-Ironwood-Rockne Intersection Improvements	1,528,474	2,656,044
Lincoln Way West Streetscape - Olive St Node	1,152,994	781,712
O'Brien Recreational Center Renovations	514,683	43,045
Olive Street Road Reconstruction	1,950,557	4,057,436
Seitz Park Reconstruction	2,221,620	6,833,144
Eddy & Howard Street Intersection Improvements	86,630	43,100
Sample & Mayflower Intersection Improvements	225,136	171,785
Police Station Roof Replacement	30,464	1,276,016
LaSalle Park Improvements	13,973	10,528
Roadway Rehabilitation	2,055,312	210,203
2021 Contractor Paving	1,582,093	1,497,185
2021 Community Crossings Paving	1,274,404	1,271,724
Howard Street / Corby Blvd Streetscape	518,201	92,164
Studebaker Fountain Water Softener System	7,550	6,050
Morris PAC Flooring and Seating Replacement	130,580	1,783,375
Neighborhood Infrastructure Improvements	29,200	120,600
Mishawaka Ave Streetscape Improvements	49,685	56,315
Custom Pumper Fire Truck	560,240	589,892
Total governmental activities	16,404,213	24,325,689
Business-type activities:		
Water Utility:		
Pinhook Water Treatment Plant Improvements	996,454	992,946
Prairie Ave Water Main Loop	194,045	30,850
South Wellfield Plant & Pressure Zone Improv.	228,295	21,705
	1,418,794	1,045,501
Wastewater Utility:		
Secondary Treatment & Disinfection Improvements	3,724,130	1,476,444
Sewer and Manhole Rehabilitation	2,448,831	784,039
WWTP Electrical Improvements	6,319,942	762,056
WWTP Masonry Improvements Gallery Bldgs 1-4	416,723	23,981
	12,909,626	3,046,520
Total business-type activities	\$ 14,328,420	\$ 4,092,020
Total Construction in Progress	\$ 30,732,633	\$ 28,417,708

December 31, 2021

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, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Water Utility	General	9,614
	Parks & Recreation	6,736
	Local Income Tax-Economic Development	386
	Nonmajor governmental	1,673
	Wastewater Utility	2,855
	Century Center	2,151
	Nonmajor enterprise	1,759
	Internal service	935
	Total Water Utility	<u>26,109</u>
	Total	<u>\$ 26,109</u>

Interfund Advances

The City has made the following advances between funds:

Receivable Fund	Payable Fund	Amount
Local Income Tax-Certified Shares	Nonmajor governmental	<u>\$ 356,253</u>
Nonmajor governmental	Nonmajor governmental	<u>1,552,482</u>
	Total	<u>\$ 1,908,735</u>

Specific purposes of the advances are as follows:

- The Local Income Tax-Certified Shares Fund advanced funds to the Urban Development Action Grant Fund for community development projects.
- The Major Moves Fund advanced funds to the TIF-Douglas Road Fund for project costs incurred to construct roads and a parking garage.

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

Interfund Transfers

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

Receiving Fund	Paying Fund	Amount
General	Local Income Tax-Certified Shares	\$ 2,000,000
	Nonmajor governmental	50,000
	Water Utility	1,681,201
	Wastewater Utility	4,543,120
	Nonmajor enterprise	607,079
	Total General	<u>8,881,400</u>
Parks and Recreation	Local Income Tax-Certified Shares	970,396
	Nonmajor Governmental	262,145
	Total Parks and Recreation	<u>1,232,541</u>
Local Income Tax-Certified Shares	Nonmajor governmental	<u>147,786</u>
Local Income Tax-Economic Development	Nonmajor governmental	<u>1,000,000</u>
River West TIF	Nonmajor governmental	<u>582,810</u>
Nonmajor governmental	General Fund	1,448,093
	Local Income Tax-Certified Shares	3,300,000
	Local Income Tax-Economic Development	3,468,986
	River West TIF	5,013,303
	Nonmajor governmental	17,491,139
	Nonmajor enterprise	97,217
	Total Nonmajor governmental	<u>30,818,738</u>
Internal service	Internal service	<u>6,667</u>
Water Utility	General	<u>621,317</u>
Wastewater Utility	General	1,082,313
	Nonmajor Governmental	591,370
	Total Wastewater utility	<u>1,673,683</u>
Nonmajor enterprise	General Fund	<u>1,796,371</u>
	Grand Total	<u>\$ 46,761,313</u>

The City typically uses transfers to fund ongoing operating subsidies into the General Fund, the Parks & Recreation Fund, and various nonmajor governmental funds.

Additionally, the City recognizes transfers of Payment in Lieu of Taxes (PILOT) payments from the Water and Wastewater utilities into the General Fund.

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 2021 for these leases were \$433,044. The following is a schedule by years of future minimum rental payments as of December 31, 2021:

Years Ended December 31	Amount
2022	\$ 436,956
2023	104,513
2024	92,793
2025	59,088
2026	34,801
2027 and later	96,760
Total	\$ 824,911

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, 2021 are as follows:

Years Ended December 31	Governmental Activities	Business-type Activities
2022	\$ 4,558,997	\$ 1,236,689
2023	3,443,430	518,627
2024	2,456,974	308,980
2025	2,309,730	232,721
2026	601,443	155,491
Total minimum lease payments	13,370,574	2,452,508
Less amount representing interest	481,275	58,303
Present value	\$ 12,889,299	\$ 2,394,205

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

	Governmental Activities	Business-type Activities
Construction in progress	\$ 590,704	\$ -
Buildings	-	1,324,615
Machinery and Equipment	8,203,145	3,576,631
Total	8,793,849	4,901,246
Accumulated depreciation	(3,319,128)	(2,624,069)
Net	\$ 5,474,721	\$ 2,277,177

December 31, 2021

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

Long-term obligations activity for the year ended December 31, 2021 is summarized as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 16,775,000	\$ -	\$ (1,030,000)	\$ 15,745,000	\$ 1,040,000
Less unamortized (discounts)/premiums	230,155	-	(24,592)	205,563	-
Net - general obligation	17,005,155	-	(1,054,592)	15,950,563	1,040,000
Revenue	115,873,241	7,610,000	(8,419,344)	115,063,897	8,838,699
Less unamortized (discounts)/premiums	2,947,072	1,250,022	(507,802)	3,689,292	-
Net - revenue	118,820,313	8,860,022	(8,927,146)	118,753,189	8,838,699
Mortgage	8,179,410	-	(1,959,410)	6,220,000	1,735,000
Less unamortized (discounts)/premiums	210,162	-	(85,066)	125,096	-
Net - mortgage	8,389,572	-	(2,044,476)	6,345,096	1,735,000
Total bonds payable	144,215,040	8,860,022	(12,026,214)	141,048,848	11,613,699
Notes from direct borrowings payable	3,405,904	-	(326,878)	3,079,026	297,175
Capital leases payable	13,712,755	4,579,762	(5,403,218)	12,889,299	4,330,296
Subtotal	161,333,699	13,439,784	(17,756,310)	157,017,173	16,241,169
Accumulated compensated absences	5,680,180	4,623,871	(5,680,180)	4,623,871	4,623,871
Net pension liability	163,886,898	-	(23,642,597)	140,244,301	-
Total other post-employment benefits (OPEB) liability	23,934,243	-	(868,916)	23,065,327	-
Total governmental activities	\$ 354,835,020	\$ 18,063,655	\$ (47,948,003)	\$ 324,950,672	\$ 20,865,041

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
Revenue	\$ 62,949,257	\$ 12,450,000	\$ (19,735,000)	\$ 55,664,257	\$ 7,499,257
Less unamortized (discounts)/premiums	1,380,569	1,889,893	(359,879)	2,910,583	-
Net - revenue	64,329,826	14,339,893	(20,094,879)	58,574,840	7,499,257
Mortgage	40,590	-	(40,590)	-	-
Less unamortized (discounts)/premiums	181	-	(181)	-	-
Net - mortgage	40,771	-	(40,771)	-	-
Total bonds payable	64,370,597	14,339,893	(20,135,650)	58,574,840	7,499,257
Notes from direct borrowings payable	1,816,433	-	(1,595,721)	220,712	24,682
Capital leases payable	3,113,163	758,270	(1,477,228)	2,394,205	1,202,645
Subtotal	69,300,193	15,098,163	(23,208,599)	61,189,757	8,726,584
Accumulated compensated absences	690,306	174,965	(690,306)	174,965	174,965
Net pension liability	5,253,977	-	(2,982,320)	2,271,657	-
Total other post-employment benefits (OPEB) liability	4,252,658	-	(336,602)	3,916,056	-
Total business-type activities	\$ 79,497,134	\$ 15,273,128	\$ (27,217,827)	\$ 67,552,435	\$ 8,901,549

Total interest expense for the year was \$7,223,251. 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 2021, the Water Utility paid \$1,814,761 in debt payments or approximately 8.5% of operating revenue. The Wastewater Utility paid \$22,197,287 in debt payments or approximately 53.5% of operating revenue. However, much of the debt payment from the Wastewater Utility stemmed from a refunding of two existing outstanding liabilities. When excluding these refundings, debt payments from the Wastewater Utility in 2021 totaled \$6,451,578, or approximately 15.5% 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.

December 31, 2021

Note 9 – Long-term Obligations (Continued)

Bonds Outstanding as of December 31, 2021

Purpose	Outstanding 12/31/2021
<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	\$ 11,345,000
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	4,400,000
Total General Obligation Bonds	<u>\$ 15,745,000</u>
<u>Mortgage Bonds</u>	
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	2,250,000
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	3,970,000
Total Governmental Mortgage Bonds	<u>\$ 6,220,000</u>
<u>Revenue Bonds</u>	
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	5,265,000

December 31, 2021

Note 9 – Long-term Obligations (Continued)

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	3,000,000
 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	23,015,000
 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	1,585,000
 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	1,738,897
 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	
- Maturity February 1, 2037	20,600,000
 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	4,310,000
 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	24,305,000

Note 9 – Long-term Obligations (Continued)

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	9,570,000
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	3,000,000
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	7,065,000
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	4,150,00
2021 Building Corporation LIT Lease Rental Revenue Bonds (Infrastructure Projects)	
- Interest rates 3% - 4%	
- Original issue \$7,610,000	
- Installments of \$150,000 to \$315,000 plus interest	
- Maturity August 1, 2036	7,460,000
Total Governmental Revenue Bonds	\$ 115,063,897
Total Governmental Activities	\$ 137,028,897

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

Note 9 – Long-term Obligations (Continued)

Business-Type Activities

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	425,000
 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	4,290,000
 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	5,080,000
 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	15,390,000
 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	2,110,000
 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	11,720,000

December 31, 2021

Note 9 – Long-term Obligations (Continued)

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	1,500,000
 Sewage Works Refunding Revenue Bonds of 2021	
- Interest rates 2% - 5%	
- Original issue \$12,450,000	
- Installments of \$1,160,000 to \$1,310,000 plus interest	
- Maturity December 1, 2031	12,335,000
 Total Business-Type Revenue Bonds	\$ 55,664,257
 Total Business-Type Activities	\$ 55,664,257

Notes from Direct Borrowings and Direct Placements

Purpose	Outstanding 12/31/2021
Governmental Activities	
2015 Century Center Energy Conservation Bond	
Interest rates: 3.5%	
Original issue: \$4,167,897	
Installments of \$22,585 to \$176,508 plus interest	
Maturity: May 1, 2031	\$ 3,079,026
 Total governmental activities	\$ 3,079,026
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	\$ 220,712
 Total business-type activities	\$ 220,712

Note 9 – Long-term Obligations (Continued)

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, 2021 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 obligations are as follows:

Bonds (General Obligation, Revenue, and Mortgage)

<u>Year Ending 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>
2022	\$11,613,699	\$5,204,988	\$16,818,686	\$7,499,257	\$1,589,617	\$9,088,874
2023	11,383,053	4,710,289	16,093,342	7,440,000	1,422,934	8,862,934
2024	11,067,408	4,249,556	15,316,963	7,640,000	1,248,974	8,888,974
2025	8,486,766	3,812,637	12,299,403	7,110,000	1,065,979	8,175,979
2026	8,571,120	3,486,528	12,057,648	4,225,000	877,903	5,102,903
2027-2031	45,484,306	12,508,856	57,993,161	19,560,000	2,333,270	21,893,270
2033-2036	37,137,545	4,566,722	41,704,269	2,190,000	65,355	2,255,355
2037-2041	3,285,000	79,880	3,364,880	-	-	-
Totals	\$137,028,897	\$38,619,456	\$175,648,352	\$55,664,257	\$8,604,032	\$64,268,289

Notes from Direct Borrowings

<u>Year Ending 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>
2022	\$297,175	\$105,192	\$402,367	\$24,682	\$7,438	\$32,120
2023	303,221	94,738	397,959	25,513	6,606	32,119
2024	309,315	84,073	393,388	26,373	5,746	32,119
2025	315,561	73,193	388,754	27,262	4,858	32,120
2026	321,964	62,093	384,057	28,181	3,939	32,120
2027-2031	1,531,790	135,863	1,667,653	88,701	5,990	94,691
Totals	\$3,079,026	\$555,152	\$3,634,178	\$220,712	\$34,577	\$255,289

Current Refundings

On September 9, 2021, the City of South Bend amended/refunded its Sewage Works Revenue Bonds of 2009, originally issued on December 11, 2009 and its Sewage Works Revenue Bonds of 2011, originally issued on October 25, 2011. The City's outstanding principal balance on the refunded bonds was reduced from \$15,131,844 to \$12,450,000 with a 2%-5% annual coupon rate. In so doing, the City saved \$3,584,455 in debt service costs over the remaining life of the bonds.

December 31, 2021

Note 10 – Restricted Assets

As of December 31, 2021, the balances of restricted assets in the enterprise funds are comprised of the following:

	<u>Water</u>	<u>Wastewater</u>	<u>Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>
Payroll taxes/benefits payable	\$ 37,387	\$ 53,092	\$ 30,648	\$ 121,127
Customer repair and deposit	1,275,408	2,900,342	-	4,175,750
Bond reserve	1,418,562	3,738,309	-	5,156,871
Operating reserve	2,903,758	5,533,851	-	8,437,609
Capital outlay	9,643,440	14,315,857	1,762,873	25,722,170
Total restricted assets	\$ 15,278,555	\$ 26,541,451	\$ 1,793,521	\$ 43,613,527

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, 2021, the market value of these properties is not known. These properties are recognized as assets in the funds that purchased the property, but the proceeds from the sale of those assets are not expected to have internal or external restrictions on use.

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, 2021. 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.

Note 13 – Risk Management (Continued)

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 2021. 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 2019 by \$217,805. No specific property claim exceeded the self-retention amount in 2020 or 2021.

A premium is charged to each fund based on a study of paid claims and based on the number of employees and percent of the total budget. Provisions are also made for unexpected and unusual claims.

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

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts, and other economic and social factors. The entire insurance liability balance is reported as a current liability as the City has the intent to pay within one year.

Group Health Insurance

The City has chosen to establish a risk financing fund for risks associated with medical benefits of employees and their covered dependents. The risk financing fund is accounted for in the Self-Funded Employee Benefits Fund, an internal service fund, whereby assets are set aside for benefit costs.

An excess policy through commercial insurance covers individual claims in excess of \$300,000 per year. Claims resulting from this risk exceeded the self-retention amount during 2019, 2020, and 2021 by \$24,418, \$133,634, and \$464,747, respectively. A premium is charged to each fund based on the number of employees and estimated costs exceeding the employees' contributions. Provisions are also made for unexpected and unusual claims.

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

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

December 31, 2021

Note 13 – Risk Management (Continued)

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

	Liability Insurance		Group Health	
	2021	2020	2021	2020
Unpaid claims - Beginning of year	\$ 1,836,696	\$ 1,746,773	\$ 975,363	\$ 1,024,845
Incurred claims, including claims incurred but not reported	3,253,172	2,475,904	14,556,112	13,723,296
Claim payments	(1,938,246)	(2,385,981)	(14,682,091)	(13,772,778)
Unpaid claims - End of year	<u>\$ 3,151,622</u>	<u>\$ 1,836,696</u>	<u>\$ 849,384</u>	<u>\$ 975,363</u>

Note 14 – Subsequent Events

On February 16, 2022, the City of South Bend issued two separate bonds.

- First, the South Bend Redevelopment Authority issued \$6,395,000 in lease-rental revenue bonds to support various capital projects and improvements at the Morris Performing Arts Center.
- Additionally, the City also issued \$5,715,000 in economic development lease-rental revenue bonds to support capital improvements at the Potawatomi Zoo.
- The revenue backup on both bond issuances is hotel-motel tax revenues that are specifically designated by state statute to support the Morris Performing Arts Center and the Potawatomi Zoo (respectively).

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, 2021, there were five series of conduit debt obligations outstanding. The original issue amounts of these obligations totaled \$48,695,000.

During 2021, the City approved no new conduit debt obligations.

December 31, 2021

Note 16 – Fund Balance Constraints

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

	General Fund	Parks and Recreation	Local Income Tax Public Safety	Local Income Tax Certified Shares	Local Income Tax Economic Development	American Rescue Plan	River West TIF	Nonmajor Funds	Total
Fund Balances									
Nonspendable									
Advances to other funds	\$ -	\$ -	\$ -	\$ 356,253	\$ -	\$ -	\$ -	\$ 1,552,482	\$ 1,908,735
Inventory	-	13,554	-	-	-	-	-	-	13,554
Property held for resale	-	-	-	175,000	270,001	-	5,722,536	2,813,887	8,981,424
Total Nonspendable	-	13,554	-	531,253	270,001	-	5,722,536	4,366,369	10,903,713
Restricted									
Debt service	-	-	-	-	-	-	-	10,986,987	10,986,987
General administration	-	-	-	-	-	8,249	-	2,627,391	2,635,640
Police and fire salaries	-	-	3,346,875	-	-	-	-	-	3,346,875
Police and fire programs	-	-	-	-	-	-	-	695,074	695,074
Street maintenance	-	-	-	-	-	-	-	7,352,923	7,352,923
Economic development	-	-	-	-	-	-	33,804,120	44,605,174	78,409,294
Parks maintenance	-	5,289,796	-	-	-	-	-	1,836,737	7,126,533
Public safety capital	-	-	-	-	-	-	-	315,304	315,304
Cultural capital projects	-	-	-	-	-	-	-	7,008,808	7,008,808
Street capital projects	-	-	-	-	-	-	-	7,519,125	7,519,125
Total Restricted	-	5,289,796	3,346,875	-	-	8,249	33,804,120	82,947,523	125,396,563
Committed									
General administration	-	-	-	-	-	-	-	1,689,281	1,689,281
Street capital projects	-	-	-	-	-	-	-	-	-
Police and fire programs	-	-	-	-	-	-	-	187,843	187,843
Economic development	-	-	-	-	-	-	-	3,479,449	3,479,449
Cultural capital	-	-	-	-	-	-	-	2,696,640	2,696,640
Total Committed	-	-	-	-	-	-	-	8,053,213	8,053,213
Assigned									
General administration	-	-	-	17,608,491	24,386,377	-	-	-	41,994,868
Police and fire programs	-	-	-	-	-	-	-	2,428	2,428
Street maintenance	-	-	-	-	-	-	-	342,050	342,050
Economic development	-	-	-	-	-	-	-	323,849	323,849
Cultural projects	-	-	-	-	-	-	-	-	-
Total Assigned	-	-	-	17,608,491	24,386,377	-	-	668,327	42,663,195
Unassigned	63,401,631	-	-	-	-	-	-	(26,633)	63,374,998
Total fund balances	63,401,631	5,303,350	3,346,875	18,139,744	24,656,378	8,249	39,526,656	96,008,799	250,391,682

Local Income Tax-Public Safety 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.

Local Income Tax-Certified Shares and Local Income Tax-Economic Development 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, 2021, the City contributed \$801,646 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 HSA plan. General employee members receiving benefits contributed 100% of the total premiums through their required contribution of \$627.35 and \$593.39 per month for retiree-only coverage and \$1,653.55 and \$1,542.89 for retiree and spouse coverage for the PPO and HSA plans, respectively.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Active employees with coverage	951
Active employees without coverage	124
Retirees	64
Total	1,139

Note 17 – Other Postemployment Benefits (Continued)

Total OPEB Liability

The City's total OPEB liability of \$26,981,383 was measured as of December 31, 2021, as determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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 January 1, 2021 and 2.25% as of December 31, 2021
Healthcare cost trend rates	7.5% for 2022, 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 (S&P Municipal 20 Year Bond) 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, 2021 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, 2021	\$ 28,186,901
Changes for the year:	
Service cost	1,473,053
Interest	620,338
Changes in benefit terms	-
Differences between expected and actual experience	(2,190,115)
Changes in assumptions or other inputs	(307,148)
Benefit payments	(801,646)
Net changes	(1,205,518)
Total OPEB Liability as of December 31, 2021	\$ 26,981,383

December 31, 2021

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, 2021, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total OPEB Liability	29,433,823	26,981,383	24,732,262

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 (6.5% decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)</u>	<u>1% Increase (8.5% decreasing to 5.5%)</u>
Total OPEB Liability	23,712,238	26,981,383	30,870,972

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$1,428,786. As of December 31, 2021, 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	\$ 957,088	\$ (4,181,503)
Changes in assumptions or other inputs	4,218,370	(5,876,614)
Total	\$ 5,175,458	\$ (10,058,117)

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>
2022	\$ (664,605)
2023	(664,605)
2024	(664,605)
2025	(664,605)
2026	(664,605)
Thereafter	(1,559,634)

Note 18 – Pension Plans

Plan Descriptions

Public Employees' Retirement Fund (PERF)

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 (PERF)

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 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.

Note 18 – Pension Plans (Continued)

- *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).

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).

Note 18 – Pension Plans (Continued)

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, 2021	December 31, 2021
Date of member count		
Inactive plan members or beneficiaries currently receiving benefits	185	130
Active plan members	1	1
Total employees covered by the plan	186	131

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, 2021 was 11.2% of annual payroll for the PERF Hybrid plan and 10% of annual payroll for the MyChoice Plan. Contributions to the plan from the City were \$3,578,344 for the year ended December 31, 2021.

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, 2021 was 17.5% of annual payroll. Contributions to the plan from the City were \$5,438,476 for the year ended December 31, 2021.

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 \$5,950,693 during 2021 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

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 \$4,101,279 during 2021 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)

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, 2021	June 30, 2021	December 31, 2021	December 31, 2021
Based on a comprehensive actuarial valuation as of	June 30, 2021	June 30, 2021	December 31, 2021	December 31, 2021

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, 2021	\$ 81,580,866	\$ 556,419	\$ 81,024,447
Service cost	-	-	-
Interest	1,174,172	-	1,174,172
Plan Amendments	-	-	-
Experience (gains)/ losses	139,773	-	139,773
Assumption Changes	(215,355)	-	(215,355)
Employer contributions	-	4,119	(4,119)
Non-employer contributing entity contributions	-	5,947,193	(5,947,193)
Net investment income	-	(1,010)	1,010
Benefit payments, including refunds	(5,834,267)	(5,936,871)	102,604
Administrative expenses	-	(10,320)	10,320
Net changes:	(4,735,677)	3,111	(4,738,788)
Balance as of December 31, 2021	\$ 76,845,189	\$ 559,530	\$ 76,285,659

The plan's fiduciary net position represents 0.73% 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, 2021	\$ 62,768,798	\$ 455,029	\$ 62,313,769
Service cost	-	-	-
Interest	895,656	-	895,656
Plan Amendments	-	-	-
Experience (gains)/ losses	(562,790)	-	(562,790)
Assumption Changes	(218,152)	-	(218,152)
Non-employer contributing entity contributions	-	4,097,779	(4,097,779)
Net investment income	-	(774)	774
Benefit payments, including refunds	(4,189,691)	(4,121,440)	(68,251)
Administrative expenses	-	(11,460)	11,460
Net changes:	(4,074,977)	(35,895)	(4,039,082)
Balance as of December 31, 2021	\$ 58,693,821	\$ 419,134	\$ 58,274,687

The plan's fiduciary net position represents 0.71% of the total pension liability.

Public Employees' Retirement Fund

At December 31, 2021, the City reported a liability of \$7,955,612 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 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 June 30, 2021, relative to all other contributing employers. As of June 30, 2021, the City's proportion was 0.60460%, which was an increase of 0.01164% from its proportion measured as of June 30, 2020.

1977 Police Officers' and Firefighters' Pension and Disability Fund

As of December 31, 2021, the City reported a net pension asset of \$19,193,872 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's actuarially required contribution for the year ended June 30, 2021, relative to all other contributing employers. As of June 30, 2021, the City's proportion was 3.24761%, which was a decrease of 0.00308% from its proportion measured as of June 30, 2020.

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

As of December 31, 2021, 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	\$ 272,105	\$ 158,850
Changes in assumptions	4,001,727	1,786,982
Net difference between projected and actual earnings on pension plan investments	-	10,329,639
Employer contributions to the plan subsequent to the measurement date	1,757,228	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	378,483	223,098
Total	\$ 6,409,543	\$ 12,498,569

1977 Police Officers' and Firefighters' Pension and Disability Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,982,250	\$ 549,704
Changes in assumptions	10,465,460	2,825,986
Net difference between projected and actual earnings on pension plan investments	-	27,996,894
Employer contributions to the plan subsequent to the measurement date	2,695,131	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	85,750	174,382
Total	\$ 18,228,591	\$ 31,546,966

1925 Police Officers' Pension Plan

	Deferred Outflows of Resources
Investment experience	\$ 13,572

1937 Firefighters' Pension Plan

	Deferred Outflows of Resources
Investment experience	\$ 7,540

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>
2022	\$ (2,084,144)
2023	(1,754,558)
2024	(1,054,844)
2025	(2,952,708)
2026	-
Thereafter	-
Total	\$ (7,846,254)

1977 Police Officers' and Firefighters' Pension and Disability Fund

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ (6,282,019)
2023	(5,345,039)
2024	(4,206,475)
2025	(5,682,625)
2026	2,092,134
Thereafter	3,410,516
Total	\$ (16,013,508)

1925 Police Officers' Pension Plan

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 3,744
2023	3,694
2024	3,989
2025	2,145
2026	-
Thereafter	-
Total	\$ 13,572

1937 Firefighters' Pension Plan

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 1,746
2023	1,634
2024	2,415
2025	1,745
2026	-
Thereafter	-
Total	\$ 7,540

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	2.00%	2.00%	2.00%	2.00%
Salary increases (including inflation)	2.65% - 8.65%	2.65%	2.65%	2.65%
Investment rate of return (net of expenses)	6.25%	6.25%	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, 2021 actuarial valuation date valuation were based on the results of an actuarial experience study for the five years ended June 30, 2020.

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	6.25%	6.25%	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	6.25%	6.25%	1.39%	1.39%

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 1.39%. The source of that bond rate was the Barclay's 20-year Municipal Bond (as referenced in The Wall Street Journal, December 31, 2021).

Investment Rate of Return Best estimates of geometric real rates of return as of the June 30, 2021 measurement date for the Public Employees' Retirement Fund and 1977 Police Officers' and Firefighters' Pension and Disability Fund and December 31, 2021 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	20%	3.6%
Private Markets	15%	7.3%
Fixed Income - Ex Inflation-Linked	20%	1.5%
Fixed Income - Inflation-Linked	15%	-0.3%
Commodities	10%	0.8%
Real Estate	10%	4.2%
Absolute Return	5%	2.5%
Risk Parity	20%	4.4%
Leverage Offset	-15%	-1.4%

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 (5.25%)	Discount (6.25%)	1% Increase (7.25%)
Public Employees' Retirement Fund	\$ 20,807,422	\$ 7,955,615	\$ (2,764,492)
1977 Police Officers' and Firefighters' Pension and Disability Fund	19,781,941	(19,193,872)	(50,658,013)

Pension Plan	1% Decrease (0.39%)	Discount (1.39%)	1% Increase (2.39%)
1925 Police Officers' Pension Plan	\$ 84,098,582	\$ 76,285,659	\$ 69,620,502
1937 Firefighters' Pension Plan	64,399,359	58,274,687	53,072,837

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/INPRSAnnualReportBook2021.pdf> https://www.in.gov/inprs/files/INPRConsolidatedAR_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 a service-based table ranging from 2.75% to 8.75% to a service-based table ranging from 2.65% to 8.65%.
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The investment return assumption was lowered from 6.75% to 6.25%.

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 2.75% per year to 2.65% per year.
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The investment return assumption was lowered from 6.75% to 6.25%.

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.

- Discount rate: The discount rate used for the December 31, 2020 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
- The future salary increase assumptions changed from 2.75% per year to 2.65% per year
- Price inflation was lowered from 2.25% per year to 2.00% per year

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, 2021:

<u>Asset Class Allocation</u>	<u>Target</u>
Cash or cash equivalents	24%
Government agency securities	76%

Note 18 – Pension Plans (Continued)

Rate of Return

For the year ended December 31, 2021, 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:

<u>Plan Description</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expenses (Income)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Public Employees' Retirement Fund	\$ 7,955,612	\$ (552,644)	\$ 6,409,543	\$ 12,498,569
1977 Police Officers and Firefighters Pension and Disability Fund	(19,193,872)	(1,579,753)	18,228,591	31,546,966
1925 Police Officers' Pension Plan	76,285,659	1,092,598	13,572	-
1937 Firefighters' Pension Plan	58,274,687	108,498	7,540	-
Total Aggregate Amounts	\$ 123,322,086	\$ (931,301)	\$ 24,659,246	\$ 44,045,535

Note 19 – Pension Trust Funds

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

	<u>1925 Police Pension</u>	<u>1937 Fire Pension</u>	<u>Total</u>
Statement of Net Position			
Cash and investments	\$ 559,209	\$ 418,897	\$ 978,106
Other assets	320	239	559
Liabilities	-	(2)	(2)
Net position	559,529	419,134	978,663
Statement of Changes in Net Position:			
Investment income	(1,010)	(773)	(1,783)
Contributions	5,954,812	4,101,278	10,056,090
Benefit payments	(5,936,871)	(4,121,440)	(10,058,311)
Administrative expenses	(13,821)	(14,960)	(28,781)
Net change in net position	\$ 3,110	\$ (35,895)	\$ (32,785)

Note 20 – Reporting Changes

In 2021, the City determined that the most appropriate accounting method for recognition of property taxes levied before the end of a fiscal year (but not collectable until the subsequent fiscal year) is to recognize a receivable and a deferred inflow of resources for the levied amount. This change resulted in the City recognizing both property taxes receivable and deferred inflows as of December 31, 2021, for the levied amount. This reporting change had no impact on net position, change in net position, fund balance, or change in fund balance in any fund. This change in accounting method is considered more appropriate with matching when the City believes they are legally entitled to these imposed nonexchange revenues.

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, 2021, the total expenses incurred were \$9,111. 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 \$1,930,975 under this program. Two properties had property taxes abated that exceeded 10% of the total amount. For these properties, the taxes abated were \$285,468 and \$461,407, respectively.

Required Supplementary Information

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

Last Eight Fiscal Years
Years Ended December 31

	<u>2021</u>	<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%	1.75%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,936,871	\$ 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
Contributions in relation to the actuarially determined contribution	<u>5,947,193</u>	<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>
Contribution (Deficiency) Excess	<u>\$ 10,322</u>	<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>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$441,200	\$441,200	\$430,000	\$421,800
Contributions as a Percentage of Covered Payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1433.3%	1386.3%	1357.5%	1606.6%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2021

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 2.00% per year

Salary increase 2.65% 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 2.65% per year in retirement for non-converted and 1.95% 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, 2021 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
- The future salary increase assumptions changed from 2.75% per year to 2.65% per year
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The cost-of-living adjustment for converted members was decreased from 2.10% per year to 1.90% in the valuation year and 1.95% in future years. The cost-of-living adjustment for non-converted members was decreased from 2.75% per year to 2.65% per year.

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

**Last Eight Fiscal Years
 Years Ended December 31**

	<u>2021</u>	<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	1,174,172	1,771,194	2,445,011	2,337,437	2,653,831	2,344,653	2,415,583	3,721,864
Experience (gains)/losses	139,773	(494,601)	278,613	2,284,134	995,949	396,259	(2,973,249)	-
Plan amendments	-	-	870,092	-	-	-	-	-
Changes in assumptions	(215,355)	(371,926)	7,451,976	(2,697,730)	3,926,922	(5,617,308)	(294,402)	12,487,771
Projected benefit payments	(5,834,267)	(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	<u>(4,735,677)</u>	<u>(5,001,212)</u>	<u>5,017,996</u>	<u>(4,129,939)</u>	<u>1,610,417</u>	<u>(8,689,205)</u>	<u>(6,729,553)</u>	<u>10,244,730</u>
Total Pension Liability - Beginning 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>	<u>89,257,632</u>
Total Pension Liability - End of year	<u><u>\$76,845,189</u></u>	<u><u>\$81,580,866</u></u>	<u><u>\$86,582,078</u></u>	<u><u>\$81,564,082</u></u>	<u><u>\$85,694,021</u></u>	<u><u>\$84,083,604</u></u>	<u><u>\$92,772,809</u></u>	<u><u>\$99,502,362</u></u>
Plan Fiduciary Net Position								
Contributions - Other	\$ 4,119	\$ -	\$ -	\$ -	\$ 13,544	\$ 15,749	\$ 62	\$ 4,329
Contributions - Non-employer Entity	5,947,193	6,045,313	6,107,782	6,220,658	6,204,179	5,991,750	6,378,359	6,111,865
Net investment income	(1,009)	3,076	18,102	15,219	6,557	6,713	4,376	3,759
Administrative expenses	(10,321)	(9,942)	(10,304)	(10,054)	(13,577)	(13,551)	(12,462)	(10,957)
Benefit payments, including refunds	(5,936,871)	(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	<u>3,111</u>	<u>(144,796)</u>	<u>(247,970)</u>	<u>63,869</u>	<u>91,458</u>	<u>(363,575)</u>	<u>46,689</u>	<u>(596,819)</u>
Plan Fiduciary Net Position - Beginning of year	<u>556,419</u>	<u>701,215</u>	<u>949,185</u>	<u>885,316</u>	<u>793,858</u>	<u>1,157,433</u>	<u>1,110,743</u>	<u>1,707,562</u>
Plan Fiduciary Net Position - End of year	<u><u>\$559,530</u></u>	<u><u>\$556,419</u></u>	<u><u>\$701,215</u></u>	<u><u>\$949,185</u></u>	<u><u>\$885,316</u></u>	<u><u>\$793,858</u></u>	<u><u>\$1,157,432</u></u>	<u><u>\$1,110,743</u></u>
City's Net Pension Liability - Ending	<u><u>\$76,285,659</u></u>	<u><u>\$81,024,447</u></u>	<u><u>\$85,880,863</u></u>	<u><u>\$80,614,897</u></u>	<u><u>\$84,808,705</u></u>	<u><u>\$83,289,746</u></u>	<u><u>\$91,615,377</u></u>	<u><u>\$98,391,619</u></u>
Plan Fiduciary Net Position as a % of Total Pension Liability	0.73%	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>2021</u>	<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%	1.75%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

Required Supplementary Information
1937 Firefighters' Pension Plan Schedule of Contributions

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

	<u>2021</u>	<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>
Actuarially determined contribution	\$4,121,440	\$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
Contributions in relation to the actuarially determined contribution	<u>4,097,779</u>	<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>
Contribution (Deficiency) Excess	<u><u>\$(23,661)</u></u>	<u><u>\$124,543</u></u>	<u><u>\$23,497</u></u>	<u><u>\$(146,148)</u></u>	<u><u>\$193,120</u></u>	<u><u>\$13,566</u></u>	<u><u>\$220,116</u></u>	<u><u>\$(305,819)</u></u>	<u><u>\$(499,581)</u></u>	<u><u>\$(578,730)</u></u>
Covered Payroll	\$-	\$-	\$-	\$-	\$-	\$-	\$328,600	\$328,600	\$319,300	\$365,500
Contributions as a Percentage of Covered Payroll	- %	- %	- %	- %	- %	- %	1581.61%	1561.30%	1582.00%	1425.10%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2021

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 2.00% per year

Salary increase 2.65% 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 2.65% per year in retirement for non-converted and 1.95% 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, 2021 valuation was 1.39%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2021. This is a decrease from the 1.49% used for the December 31, 2020 valuation.
- The future salary increase assumptions changed from 2.75% per year to 2.65% per year
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The cost-of-living adjustment for converted members was decreased from 2.10% per year to 1.90% in the valuation year and 1.95% in future years. The cost-of-living adjustment for non-converted members was decreased from 2.75% per year to 2.65% per year.

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

**Last Eight Fiscal Years
 Years Ended December 31**

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ -	\$49,137	\$62,978	\$98,529	\$81,717	\$163,162	\$155,487	\$114,297
Interest	895,656	1,362,747	1,865,607	1,815,032	2,124,050	1,940,826	2,020,796	3,155,669
Experience (gains)/losses	(562,790)	(457,133)	(1,096,354)	(482,208)	(1,611,010)	(262,337)	(2,816,692)	-
Plan amendments	-	-	941,442	-	-	-	-	-
Changes in assumptions	(218,152)	(422,909)	5,758,955	(2,105,211)	3,179,702	(4,645,609)	(245,887)	9,620,657
Projected benefit payments	(4,189,691)	(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	(4,074,977)	(3,767,675)	3,111,812	(5,246,470)	(953,133)	(7,784,949)	(5,981,058)	7,683,753
Total Pension Liability - Beginning of year	62,768,798	66,536,473	63,424,661	68,671,131	69,624,264	77,409,213	83,390,271	75,706,518
Total Pension Liability - End of year	<u>\$58,693,821</u>	<u>\$62,768,798</u>	<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>
Plan Fiduciary Net Position								
Contributions - Other	\$-	\$-	\$-	\$-	\$4,251	\$6,279	\$2,667	\$1,484
Contributions - Non-employer Entity	4,097,779	4,320,033	4,462,993	4,472,469	4,920,712	4,866,271	5,039,025	5,129,098
Net investment income	(774)	2,579	9,432	7,596	3,352	2,852	2,675	1,963
Administrative expenses	(11,458)	(10,265)	(10,309)	(12,154)	(14,771)	(14,485)	(14,255)	(10,920)
Benefit payments, including refunds	(4,121,440)	(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	(35,893)	116,857	22,620	(150,706)	299,064	(304,841)	(167,047)	(285,804)
Plan Fiduciary Net Position - Beginning of year	455,029	338,172	315,552	466,258	167,194	472,035	639,081	924,885
Plan Fiduciary Net Position - End of year	<u>\$419,136</u>	<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>\$58,274,685</u>	<u>\$62,313,769</u>	<u>\$66,198,301</u>	<u>\$63,109,109</u>	<u>\$68,204,873</u>	<u>\$69,457,070</u>	<u>\$76,937,179</u>	<u>\$82,751,190</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	0.71%	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 Seven Fiscal Years
 Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,578,344	\$ 3,621,367	\$ 3,523,406	\$ 3,385,879	\$ 3,320,567	\$ 3,037,666	\$ 2,982,234
Contributions in relation to the actuarially determined contributions	3,578,344	3,621,367	3,523,406	3,385,879	3,320,567	3,037,666	2,982,234
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 32,493,524	\$ 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	11.0%	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, 2021

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	2.00% per year
Salary increase	2.65% to 8.65% per year
Investment rate of return	6.25% 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 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
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	The following COLAs, compounded annually, were assumed: 1.00% beginning on January 1, 2022, 0.40% beginning on January 1, 2024; 0.50% beginning on January 1, 2034; 0.60% 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 a service-based table ranging from 2.75% to 8.75% to a service-based table ranging from 2.65% to 8.65%.
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The investment return assumption was lowered from 6.75% to 6.25%.
- Cost of Living adjustment assumption was changed from 0.4% in 2022 and 2023 to 1.0% annually in 2022 and 2023. Thereafter, the following COLAs, compounded annually, are assumed: 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.

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 Eight Fiscal Years
Years Ended June 30**

	<u>2021</u>	<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)	0.60460%	0.59296%	0.59232%	0.58323%	0.57988%	0.54700%	0.55700%	0.56300%
City's proportionate share of the net pension liability (asset)	\$7,955,615	\$ 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	\$33,334,366	\$ 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	23.87%	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	92.5%	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 Seven Fiscal Years
Years Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,638,916	\$ 2,499,056	\$ 2,528,512	\$ 2,479,908	\$ 2,394,421	\$ 2,715,555	\$ 2,625,418
Contributions in relation to the actuarially determined contributions	<u>2,638,916</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,079,522	\$ 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%	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, 2021

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 2.00% per year

Salary increase 2.65% per year

Investment rate of return 6.25% 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 Assumed Cost of Living Adjustment (COLA): 1.95% annually

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 2.75% per year to 2.65% per year.
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The investment return assumption was lowered from 6.75% to 6.25%.
- Cost of Living Adjustments were lowered from 2.10% annually to 1.95% annually. For benefits paid under the 2017 House Enrolled Act No. 1617, the annual cost-of-living-assumption was lowered from 2.75% to 2.65%.

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 Eight Fiscal Years
 Years Ended June 30**

	<u>2021</u>	<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)	1.55846%	1.54916%	1.62738%	1.6501%	1.72294%	1.75600%	1.78700%	1.82900%
City's proportionate share of the net pension liability (asset)	\$(9,210,737)	\$3,761,481	\$149,979	\$(1,450,622)	\$(265,770)	\$1,559,932	\$(2,640,039)	\$(932,236)
City's Covered Payroll	\$14,796,362	\$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	-62.25%	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	107.80%	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 Seven Fiscal Years
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,799,560	\$ 2,795,379	\$ 2,730,295	\$ 2,690,987	\$ 2,556,604	\$ 2,717,624	\$ 2,666,116
Contributions in relation to the actuarially determined contributions	2,799,560	2,795,379	2,730,295	2,690,987	2,556,604	2,717,624	2,666,116
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	15,997,482	\$ 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%	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, 2021

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	2.00% per year
Salary increase	2.65% per year
Investment rate of return	6.25% 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	Assumed Cost of Living Adjustment (COLA): 1.95% annually

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 2.75% per year to 2.65% per year.
- Price inflation was lowered from 2.25% per year to 2.00% per year.
- The investment return assumption was lowered from 6.75% to 6.25%.
- Cost of Living Adjustments were lowered from 2.10% annually to 1.95% annually. For benefits paid under the 2017 House Enrolled Act No. 1617, the annual cost-of-living-assumption was lowered from 2.75% to 2.65%.

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 Eight Fiscal Years Years Ended June 30							
	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.68915%	1.70153%	1.75457%	1.78736%	1.77600%	1.75800%	1.81500%	1.79500%
City's proportionate share of the net pension liability (asset)	\$(9,983,135)	\$ 4,131,447	\$ 161,701	\$(1,571,289)	\$ (273,955)	\$ 1,561,833	\$(2,680,987)	\$ (915,265)
City's Covered Payroll	\$16,037,134	\$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	-62.25%	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	107.80%	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 Four Fiscal Years
Years Ended December 31**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service Cost	\$ 1,473,053	\$ 1,072,669	\$ 1,049,065	\$ 1,489,465
Interest	620,338	1,032,011	981,132	1,026,964
Difference between expected and actual experience	(2,190,115)	(2,677,265)	-	1,503,991
Changes of assumptions or other inputs	(307,148)	5,155,786	-	(8,795,897)
Benefit payments	(801,646)	(858,114)	(774,470)	(758,730)
Net change in total OPEB liability	(1,205,518)	3,725,087	1,255,727	(5,534,207)
Total OPEB Liability - beginning	28,186,901	24,461,814	23,206,087	28,740,294
Total OPEB Liability - ending	<u>\$ 26,981,383</u>	<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>	<u>\$ -</u>
Net OPEB Liability - ending	<u>\$ 26,981,383</u>	<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%	0%
Covered-Employee Payroll	<u>\$ 62,327,863</u>	<u>\$ 62,222,358</u>	<u>\$ 60,754,757</u>	<u>\$ 58,876,762</u>
Net OPEB liability as a % of covered payroll	43.3%	45.3%	40.3%	39.4%

Information is presented for the years available

Required Supplementary Information
Budgetary Comparison Schedules
General Fund
December 31, 2021

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 39,300,913	\$ 43,659,873	\$ 43,659,873	\$ -
Licenses and permits	265,025	266,391	258,054	(8,337)
Intergovernmental	4,150,990	5,763,850	5,763,850	-
Charges for services	4,713,599	5,274,560	5,286,199	11,639
Fines and forfeitures	8,525	9,075	6,235	(2,840)
Investment income	695,632	354,688	354,688	-
Other	12,778,274	12,827,655	12,873,490	45,835
Total revenues	61,912,958	68,156,092	68,202,389	46,297
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	1,105,948	1,195,178	1,119,782	75,396
Supplies	850	4,350	3,888	462
Other services and charges	1,190,568	854,835	751,144	103,691
City Clerk:				
Personnel services	431,957	427,957	402,642	25,315
Supplies	4,700	8,700	8,089	611
Other services and charges	232,182	232,182	222,982	9,200
Common Council:				
Personnel services	370,301	370,301	277,497	92,804
Supplies	5,000	5,000	1,894	3,106
Other services and charges	362,620	361,990	314,429	47,561
Administration/Finance:				
Personnel services	3,233,767	3,233,767	2,796,454	437,313
Supplies	20,075	19,804	13,423	6,381
Other services and charges	972,039	888,327	837,826	50,501
Legal Department:				
Personnel services	1,341,627	1,321,627	1,186,938	134,689
Supplies	3,550	3,550	1,515	2,035
Other services and charges	213,989	233,989	211,041	22,948
Total general government	9,489,173	9,161,557	8,149,544	1,012,013
Public safety:				
Police Department:				
Personnel services	22,727,606	22,787,606	22,563,899	223,707
Supplies	1,226,129	1,067,829	970,712	97,117
Other services and charges	7,556,795	7,491,355	7,125,544	365,811
Fire Department:				
Personnel services	21,805,214	21,905,214	21,752,544	152,670
Supplies	1,055,601	1,042,098	992,977	49,121
Other services and charges	4,656,363	4,518,762	4,371,332	147,430
Total public safety	59,027,708	58,812,864	57,777,008	1,035,856

Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund (Continued)

December 31, 2021

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and streets:				
Engineering:				
Personnel services	2,462,057	2,462,057	2,324,174	137,883
Supplies	22,700	21,989	7,128	14,861
Other services and charges	1,031,827	895,285	792,190	103,095
Office of Sustainability:				
Personnel services	434,685	384,685	255,290	129,395
Supplies	32,188	32,188	3,436	28,752
Other services and charges	191,087	139,629	54,378	85,251
Total highways and streets	<u>4,174,544</u>	<u>3,935,833</u>	<u>3,436,596</u>	<u>499,237</u>
Culture and recreation:				
Morris Performing Arts Center:				
Personnel services	770,857	770,857	631,239	139,618
Supplies	25,200	32,765	29,271	3,494
Other services and charges	592,516	527,989	445,793	82,196
Palais Royale Ballroom:				
Supplies	5,000	5,000	1,626	3,374
Other services and charges	220,756	200,003	147,921	52,082
Total culture and recreation	<u>1,614,329</u>	<u>1,536,614</u>	<u>1,255,850</u>	<u>280,764</u>
Total expenditures	<u>74,305,754</u>	<u>73,446,868</u>	<u>70,618,998</u>	<u>2,827,870</u>
Other Financing Sources (Uses):				
Transfers in	8,981,536	8,881,400	8,881,400	-
Transfers out	-	(5,000,000)	(4,948,093)	51,907
Net change in fund balances	(3,411,260)	(1,409,376)	1,516,698	2,926,074
Fund balances - Beginning	<u>53,544,921</u>	<u>53,544,921</u>	<u>53,544,921</u>	<u>-</u>
Fund balances - Ending	<u>\$ 50,133,661</u>	<u>\$ 52,135,545</u>	<u>\$ 55,061,619</u>	<u>\$ 2,926,074</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,516,698	
To adjust revenues for accruals			9,736,334	
To adjust expenditures for accruals			(9,760,189)	
Net change in fund balance, GAAP basis			<u>\$ 1,492,843</u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 9,247,389	\$ 10,271,000	\$ 10,271,000	\$ -
Licenses and permits	-	201	253	52
Intergovernmental	906,694	1,111,439	1,111,437	(2)
Charges for services	2,881,450	2,892,612	2,922,965	30,353
Fines and forfeitures	-	-	12	12
Investment income	40,000	20,758	20,758	-
Other	740,000	1,016,768	1,027,784	11,016
	<u>13,815,533</u>	<u>15,312,778</u>	<u>15,354,209</u>	<u>41,431</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	7,848,444	8,166,313	7,837,623	328,690
Supplies	1,600,315	1,569,530	1,372,042	197,488
Other services and charges	5,383,225	5,693,497	5,289,823	403,674
Capital outlay	472,913	482,338	474,790	7,548
	<u>15,304,897</u>	<u>15,911,678</u>	<u>14,974,278</u>	<u>937,400</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	17,250	17,250	-
Transfers in	1,234,486	1,232,541	1,232,541	-
	<u>(254,878)</u>	<u>650,891</u>	<u>1,629,722</u>	<u>978,831</u>
Net change in fund balances				
Fund balances - Beginning	4,156,004	4,156,004	4,156,004	-
Fund balances - Ending	<u>\$ 3,901,126</u>	<u>\$ 4,806,895</u>	<u>\$ 5,785,726</u>	<u>\$ 978,831</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,629,722	
To adjust revenues for accruals			(28,566)	
To adjust expenditures for accruals			(48,280)	
Net change in fund balance, GAAP basis			<u>\$ 1,552,876</u>	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Local Income Tax-Public Safety Fund

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 7,999,276	\$ 9,391,746	\$ 9,391,746	\$ -
Investment income	32,640	32,640	25,015	(7,625)
Total revenues	8,031,916	9,424,386	9,416,761	(7,625)
Expenditures:				
Current:				
Public safety:				
Personnel services	9,618,013	9,618,013	9,618,013	-
Total expenditures	9,618,013	9,618,013	9,618,013	-
Net change in fund balances	(1,586,097)	(193,627)	(201,252)	(7,625)
Fund balances - Beginning	4,045,717	4,045,717	4,045,717	-
Fund balances - Ending	\$ 2,459,620	\$ 3,852,090	\$ 3,844,465	\$ (7,625)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (201,252)	
To adjust revenues for accruals			(23,271)	
To adjust expenditures for accruals			(227,111)	
Net change in fund balance, GAAP basis			\$ (451,634)	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Local Income Tax-Certified Shares Fund

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 11,378,106	\$ 13,334,937	\$ 13,334,937	\$ -
Investment income	147,313	87,113	87,126	13
Other	24,000	102,996	147,178	44,182
Total revenues	11,549,419	13,525,046	13,569,241	44,195
Expenditures:				
Current:				
General government:				
Supplies	320,832	185,908	145,595	40,313
Other services and charges	7,487,083	6,182,413	5,148,199	1,034,214
Capital outlay	1,708,085	131,654	123,519	8,135
Total expenditures	9,516,000	6,499,975	5,417,313	1,082,662
Other Financing Sources (Uses):				
Debt proceeds	-	1,598,000	1,598,000	-
Proceeds from sale of capital assets	-	99,820	99,820	-
Transfers in	-	147,786	147,786	-
Transfers out	(5,420,396)	(7,770,396)	(6,270,396)	1,500,000
Net change in fund balances	(3,386,977)	1,100,281	3,727,138	2,626,857
Fund balances - Beginning	14,902,237	14,902,237	14,902,237	-
Fund balances - Ending	\$ 11,515,260	\$ 16,002,518	\$ 18,629,375	\$ 2,626,857
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 3,727,138	
To adjust revenues for accruals			(107,957)	
To adjust expenditures for accruals			(316,788)	
Net change in fund balance, GAAP basis			\$ 3,302,393	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Local Income Tax-Economic Development Fund

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 11,040,237	\$ 13,006,489	\$ 13,006,489	\$ -
Intergovernmental	50,000	50,000	-	(50,000)
Investment income	197,890	128,951	128,951	-
Other	150,000	150,000	151,545	1,545
Total revenues	11,438,127	13,335,440	13,286,985	(48,455)
Expenditures:				
Current:				
General government:				
Other services and charges	10,323,781	5,553,773	4,799,629	754,144
Capital outlay	296,399	417,117	112,229	304,888
Total expenditures	10,620,180	5,970,890	4,911,858	1,059,032
Other Financing Sources (Uses):				
Transfers in	950,000	1,000,000	1,000,000	-
Transfers out	(6,062,780)	(6,165,780)	(3,468,986)	2,696,794
Net change in fund balances	(4,294,833)	2,198,770	5,906,141	3,707,371
Fund balances - Beginning	19,044,274	19,044,274	19,044,274	-
Fund balances - Ending	\$ 14,749,441	\$ 21,243,044	\$ 24,950,415	\$ 3,707,371
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 5,906,141	
To adjust revenues for accruals			(126,183)	
To adjust expenditures for accruals			(387,983)	
Net change in fund balance, GAAP basis			\$ 5,391,975	

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 American Rescue Plan
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 29,455,024	\$ 29,455,024	\$ -
Investment income	-	81,618	81,618	-
Total revenues	-	29,536,642	29,536,642	-
Net change in fund balances	-	29,536,642	29,536,642	-
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ 29,536,642</u>	<u>\$ 29,536,642</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 29,536,642	
To adjust revenues for accruals			(73,369)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ 29,463,273</u>	

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>Local Income Tax Public Safety</u>	<u>Local Income Tax Certified Shares</u>	<u>Local Income Tax Economic Development</u>	<u>American Rescue Plan</u>
Net change in fund balances (budgetary basis)	\$ 1,516,698	\$ 1,629,722	\$ (201,252)	\$ 3,727,138	\$ 5,906,141	\$ 29,536,642
Adjustments:						
To adjust revenues for accruals	9,736,334	(28,566)	(23,271)	(107,957)	(126,183)	(73,369)
To adjust expenditures for accruals	<u>(9,760,189)</u>	<u>(48,280)</u>	<u>(227,111)</u>	<u>(316,788)</u>	<u>(387,983)</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ 1,492,843</u>	<u>\$ 1,552,876</u>	<u>\$ (451,634)</u>	<u>\$ 3,302,393</u>	<u>\$ 5,391,975</u>	<u>\$ 29,463,273</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 December 31 prior to 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 fund, department, division, and cost classification for all funds. The City's management cannot transfer budgeted appropriations between cost 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, Local Income Tax-Public Safety, Local Income Tax-Certified Shares, Local Income Tax-Economic Development, American Rescue Plan
- 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 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 - 2003 Redevelopment Bond - Airport Taxable, 2003 Redevelopment Bond - Palais Royale, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service, 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
 - Capital Projects Funds – Fire Department Capital, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Professional Sports Convention Development Area, 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, Equipment Vehicle Leasing, 2017 Park Bond Capital, 2017 Eddy St. Commons Bond Capital, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2021 Infrastructure 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 \$111,182,149 in 2021 for the funds listed above.
- I. Expenditures did not exceed appropriations for any funds or any departments within any major or nonmajor governmental fund which required legally approved budgets.

Other Supplemental Information

Other Supplementary Information
Combining Balance Sheet
General Fund

December 31, 2021

	General Fund	Rainy Day	Total General Fund
Assets			
Cash and cash equivalents	\$ 22,635,492	\$ 4,498,401	\$ 27,133,893
Investments	31,661,788	6,378,360	38,040,148
Receivables:			
Accounts	1,643,630	-	1,643,630
Interest	30,856	6,216	37,072
Property taxes	43,277,295	-	43,277,295
Total assets	\$ 99,249,061	\$ 10,882,977	\$ 110,132,038
Liabilities			
Accounts payable	\$ 253,346	\$ -	\$ 253,346
Due to other funds	9,614	-	9,614
Due to other governments	107,398	-	107,398
Performance deposits payable	68,950	-	68,950
Accrued liabilities and other:			
Accrued payroll payable	1,256,719	-	1,256,719
Taxes payable	153,163	-	153,163
Other current payables	211,628	-	211,628
Total liabilities	2,060,818	-	2,060,818
Deferred inflows of resources			
- unavailable revenue			
EMS Medicaid receivable	1,392,294	-	1,392,294
Property taxes receivable	43,277,295	-	43,277,295
Total deferred inflows of resources	44,669,589	-	44,669,589
Fund balances			
Unassigned	52,518,654	10,882,977	63,401,631
Total fund balances	52,518,654	10,882,977	63,401,631
Total liabilities, deferred inflows of resources, and fund balances	\$ 99,249,061	\$ 10,882,977	\$ 110,132,038

Other Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund

For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Rainy Day</u>	<u>Total General Fund</u>
Revenues			
Property taxes	\$ 43,659,873	\$ -	\$ 43,659,873
Licenses and permits	258,054	-	258,054
Intergovernmental	15,815,822	-	15,815,822
Charges for services	5,286,199	-	5,286,199
Fines and forfeitures	6,235	-	6,235
Investment income (loss)	(25,361)	205	(25,156)
Other	12,937,697	-	12,937,697
Total revenues	<u>77,938,519</u>	<u>205</u>	<u>77,938,724</u>
Expenditures			
Current:			
General government	8,460,476	-	8,460,476
Public safety	67,430,055	-	67,430,055
Highways and streets	3,087,510	-	3,087,510
Culture and recreation	1,230,452	-	1,230,452
Capital outlay:			
Highways and streets	23,229	-	23,229
Debt service:			
Principal	145,798	-	145,798
Interest on long-term debt	1,667	-	1,667
Total expenditures	<u>80,379,187</u>	<u>-</u>	<u>80,379,187</u>
Excess of revenues (under) over expenditures	<u>(2,440,668)</u>	<u>205</u>	<u>(2,440,463)</u>
Other financing sources (uses)			
Transfers in	8,881,400	-	8,881,400
Transfers out	(4,948,094)	-	(4,948,094)
Total other financing sources (uses)	<u>3,933,306</u>	<u>-</u>	<u>3,933,306</u>
Net change in fund balances	1,492,638	205	1,492,843
Fund balances - Beginning of year	<u>51,026,016</u>	<u>10,882,772</u>	<u>61,908,788</u>
Fund balances - End of year	<u>\$ 52,518,654</u>	<u>\$ 10,882,977</u>	<u>\$ 63,401,631</u>

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

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.
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.
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.
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.

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.
Professional Sports Convention Development Area	To account for state distributions of sales tax and income tax earned at specified locations within the area. Restricted for use on capital projects at those specific locations (which include Four Winds Field, Morris Performing Arts Center, and Century Center).
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.
Equipment Vehicle Leasing	To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.
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.
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.
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.

	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
Assets								
Cash and cash equivalents	\$ 2,587,562	\$ 285,425	\$ 11,081	\$ 185,365	\$ 409,817	\$ 71,671	\$ 403,460	\$ 5,723
Investments	2,208,337	404,709	15,712	230,125	-	101,623	572,073	8,115
Receivables:								
Accounts	49,543	-	1	-	-	-	-	-
Interest	2,156	394	15	224	-	99	558	8
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Loans	-	-	-	-	166,900	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	1	-	-	2,288,072	-	-	-
Total assets	<u>\$ 4,847,598</u>	<u>\$ 690,529</u>	<u>\$ 26,809</u>	<u>\$ 415,714</u>	<u>\$ 2,864,789</u>	<u>\$ 173,393</u>	<u>\$ 976,091</u>	<u>\$ 13,846</u>
Liabilities								
Accounts payable	\$ 415,045	\$ -	\$ -	\$ 3,653	\$ 63,108	\$ -	\$ 50,913	\$ -
Due to other funds	809	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	112,010	-	-	68,460	-	-	-	-
Taxes payable	13,456	-	-	8,224	-	-	-	-
Other current payables	18,862	-	-	11,528	2,090	-	-	-
Customer deposits	1,600	-	-	-	-	-	-	-
Total liabilities	<u>561,782</u>	<u>-</u>	<u>-</u>	<u>91,865</u>	<u>65,198</u>	<u>-</u>	<u>50,913</u>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	1	-	-	2,288,072	-	-	-
Restricted	4,285,816	690,528	26,809	-	511,519	173,393	925,178	-
Committed	-	-	-	-	-	-	-	13,846
Assigned	-	-	-	323,849	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>4,285,816</u>	<u>690,529</u>	<u>26,809</u>	<u>323,849</u>	<u>2,799,591</u>	<u>173,393</u>	<u>925,178</u>	<u>13,846</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,847,598</u>	<u>\$ 690,529</u>	<u>\$ 26,809</u>	<u>\$ 415,714</u>	<u>\$ 2,864,789</u>	<u>\$ 173,393</u>	<u>\$ 976,091</u>	<u>\$ 13,846</u>

	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
Assets								
Cash and cash equivalents	\$ 315,414	\$ 156,363	\$ 36,976	\$ 170,740	\$ 378,591	\$ 968,686	\$ 101,277	\$ 179,458
Investments	447,231	221,564	51,106	242,095	134,988	1,373,516	143,603	249,371
Receivables:								
Accounts	-	7,700	-	-	-	-	-	-
Interest	436	216	50	236	133	1,338	140	243
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 763,081</u>	<u>\$ 385,843</u>	<u>\$ 88,132</u>	<u>\$ 413,071</u>	<u>\$ 513,712</u>	<u>\$ 2,343,540</u>	<u>\$ 245,020</u>	<u>\$ 429,072</u>
Liabilities								
Accounts payable	\$ -	\$ 512	\$ -	\$ -	\$ 14,613	\$ 26,730	\$ -	\$ 3,865
Due to other funds	-	-	-	-	864	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	4,950	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	3,234	-	49,763	-	-	4,814
Taxes payable	-	-	388	-	5,978	-	-	578
Other current payables	-	-	545	-	8,380	-	-	811
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	<u>4,950</u>	<u>512</u>	<u>4,167</u>	<u>-</u>	<u>79,598</u>	<u>26,730</u>	<u>-</u>	<u>10,068</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	385,331	-	-	-	2,316,810	245,020	419,004
Committed	758,131	-	83,965	413,071	434,114	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>758,131</u>	<u>385,331</u>	<u>83,965</u>	<u>413,071</u>	<u>434,114</u>	<u>2,316,810</u>	<u>245,020</u>	<u>419,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 763,081</u>	<u>\$ 385,843</u>	<u>\$ 88,132</u>	<u>\$ 413,071</u>	<u>\$ 513,712</u>	<u>\$ 2,343,540</u>	<u>\$ 245,020</u>	<u>\$ 429,072</u>

	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
Assets								
Cash and cash equivalents	\$ -	\$ 290,631	\$ 842,800	\$ 30,845	\$ 108,856	\$ 1,716	\$ 11,587	\$ 148,562
Investments	-	412,091	1,194,009	43,736	154,348	2,433	16,429	210,649
Receivables:								
Accounts	-	-	-	-	-	-	-	16,100
Interest	-	402	1,163	43	150	3	16	205
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 703,124</u>	<u>\$ 2,037,972</u>	<u>\$ 74,624</u>	<u>\$ 263,354</u>	<u>\$ 4,152</u>	<u>\$ 28,032</u>	<u>\$ 375,516</u>
Liabilities								
Accounts payable	\$ 26,633	\$ 197,847	\$ 23,743	\$ -	\$ -	\$ -	\$ -	\$ 2,060
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>26,633</u>	<u>197,847</u>	<u>23,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,060</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	505,277	2,014,229	-	-	4,152	-	-
Committed	-	-	-	74,624	263,354	-	28,032	373,456
Assigned	-	-	-	-	-	-	-	-
Unassigned	(26,633)	-	-	-	-	-	-	-
Total fund balances	<u>(26,633)</u>	<u>505,277</u>	<u>2,014,229</u>	<u>74,624</u>	<u>263,354</u>	<u>4,152</u>	<u>28,032</u>	<u>373,456</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 703,124</u>	<u>\$ 2,037,972</u>	<u>\$ 74,624</u>	<u>\$ 263,354</u>	<u>\$ 4,152</u>	<u>\$ 28,032</u>	<u>\$ 375,516</u>

	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
Assets								
Cash and cash equivalents	\$ 26,716	\$ 60,334	\$ 18,698	\$ 60,237	\$ 11,208	\$ 119,703	\$ 1,004	\$ 791,599
Investments	-	85,548	26,512	-	15,892	164,899	1,424	-
Receivables:								
Accounts	-	-	-	-	-	68,578	-	-
Interest	-	83	26	9	15	161	-	-
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Loans	-	-	-	-	385,577	-	-	-
Due from other funds	-	-	-	-	-	48	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 26,716</u>	<u>\$ 145,965</u>	<u>\$ 45,236</u>	<u>\$ 60,246</u>	<u>\$ 412,692</u>	<u>\$ 353,389</u>	<u>\$ 2,428</u>	<u>\$ 791,599</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,118	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	356,253	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	7,932	-	-
Taxes payable	-	-	-	-	-	953	-	-
Other current payables	-	-	-	-	-	1,336	-	-
Customer deposits	-	-	-	-	-	-	-	791,599
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,253</u>	<u>11,339</u>	<u>-</u>	<u>791,599</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	26,716	-	45,236	60,246	56,439	-	-	-
Committed	-	145,965	-	-	-	-	-	-
Assigned	-	-	-	-	-	342,050	2,428	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>26,716</u>	<u>145,965</u>	<u>45,236</u>	<u>60,246</u>	<u>56,439</u>	<u>342,050</u>	<u>2,428</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,716</u>	<u>\$ 145,965</u>	<u>\$ 45,236</u>	<u>\$ 60,246</u>	<u>\$ 412,692</u>	<u>\$ 353,389</u>	<u>\$ 2,428</u>	<u>\$ 791,599</u>

December 31, 2021

	Special Revenue Funds					Total Special Revenue Funds	Debt Service Funds	
	City Cemetery	Bowman Cemetery	Industrial Revolving Fund	Urban Enterprise Association	VPA Foundation		2003 Redevelopment Bond - Airport Taxable	2003 Redevelopment Bond - Palais Royale
Assets								
Cash and cash equivalents	\$ 12,459	\$ 196,002	\$ 3,700,843	\$ 616,648	\$ 1,332,406	\$ 14,650,463	\$ 428,999	\$ 717,222
Investments	17,667	277,915	-	1,145,220	-	10,172,940	608,286	1,016,961
Receivables:								
Accounts	-	-	-	2,807	-	144,729	-	-
Interest	17	271	33	-	-	8,843	-	-
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Loans	-	-	6,002,406	-	-	6,554,883	-	-
Due from other funds	-	-	-	-	-	48	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	76,300	-	-	2,364,373	-	-
Total assets	<u>\$ 30,143</u>	<u>\$ 474,188</u>	<u>\$ 9,779,582</u>	<u>\$ 1,764,675</u>	<u>\$ 1,332,406</u>	<u>\$ 33,896,279</u>	<u>\$ 1,037,285</u>	<u>\$ 1,734,183</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 31,635	\$ -	\$ 861,475	\$ -	\$ -
Due to other funds	-	-	-	-	-	1,673	-	-
Advances from other funds	-	-	-	-	-	356,253	-	-
Performance deposits payable	-	-	-	-	-	4,950	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	246,213	-	-
Taxes payable	-	-	-	-	-	29,577	-	-
Other current payables	-	-	-	-	-	43,552	-	-
Customer deposits	-	-	-	17,240	-	810,439	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,875</u>	<u>-</u>	<u>2,354,132</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	76,300	-	-	2,364,373	-	-
Restricted	30,143	474,188	9,703,282	1,715,800	1,332,406	25,947,522	1,037,285	1,734,183
Committed	-	-	-	-	-	2,588,558	-	-
Assigned	-	-	-	-	-	668,327	-	-
Unassigned	-	-	-	-	-	(26,633)	-	-
Total fund balances	<u>30,143</u>	<u>474,188</u>	<u>9,779,582</u>	<u>1,715,800</u>	<u>1,332,406</u>	<u>31,542,147</u>	<u>1,037,285</u>	<u>1,734,183</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,143</u>	<u>\$ 474,188</u>	<u>\$ 9,779,582</u>	<u>\$ 1,764,675</u>	<u>\$ 1,332,406</u>	<u>\$ 33,896,279</u>	<u>\$ 1,037,285</u>	<u>\$ 1,734,183</u>

	Debt Service Funds							
	2015 Smart Streets Bond Debt Service	2015 Park Bond Debt Service	2017 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service	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
Assets								
Cash and cash equivalents	\$ 1,742,699	\$ 587,764	\$ 75,933	\$ 3,668,611	\$ -	\$ 427,056	\$ 9,443	\$ 326,945
Investments	-	-	107,668	-	-	605,531	-	-
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Interest	7	4	105	16	-	590	-	1
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	1,126,573	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,742,706</u>	<u>\$ 587,768</u>	<u>\$ 1,310,279</u>	<u>\$ 3,668,627</u>	<u>\$ -</u>	<u>\$ 1,033,177</u>	<u>\$ 9,443</u>	<u>\$ 326,946</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>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	1,126,573	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,126,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,742,706	587,768	183,706	3,668,627	-	1,033,177	9,443	326,946
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>1,742,706</u>	<u>587,768</u>	<u>183,706</u>	<u>3,668,627</u>	<u>-</u>	<u>1,033,177</u>	<u>9,443</u>	<u>326,946</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,742,706</u>	<u>\$ 587,768</u>	<u>\$ 1,310,279</u>	<u>\$ 3,668,627</u>	<u>\$ -</u>	<u>\$ 1,033,177</u>	<u>\$ 9,443</u>	<u>\$ 326,946</u>

	Debt Service Funds				Capital Projects Funds			
	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	Total Debt Service Funds	Fire Department Capital	Coveleski Stadium Capital	Cumulative Capital Development	Cumulative Capital Improvement
Assets								
Cash and cash equivalents	\$ 110,721	\$ 242,425	\$ 224,375	\$ 8,562,193	\$ 1,713,541	\$ 336	\$ 118,230	\$ 268,457
Investments	85,534	-	-	2,423,980	1,039,369	476	167,640	380,651
Receivables:								
Accounts	-	-	-	-	300	-	-	-
Interest	85	4	2	814	1,017	-	163	371
Taxes	-	-	-	-	-	-	-	-
Property taxes	-	-	-	1,126,573	-	-	467,146	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 196,340</u>	<u>\$ 242,429</u>	<u>\$ 224,377</u>	<u>\$ 12,113,560</u>	<u>\$ 2,754,227</u>	<u>\$ 812</u>	<u>\$ 753,179</u>	<u>\$ 649,479</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>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	1,126,573	-	-	467,146	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,126,573</u>	<u>-</u>	<u>-</u>	<u>467,146</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	196,340	242,429	224,377	10,986,987	2,754,227	-	286,033	649,479
Committed	-	-	-	-	-	812	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>196,340</u>	<u>242,429</u>	<u>224,377</u>	<u>10,986,987</u>	<u>2,754,227</u>	<u>812</u>	<u>286,033</u>	<u>649,479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 196,340</u>	<u>\$ 242,429</u>	<u>\$ 224,377</u>	<u>\$ 12,113,560</u>	<u>\$ 2,754,227</u>	<u>\$ 812</u>	<u>\$ 753,179</u>	<u>\$ 649,479</u>

	Capital Projects Funds							
	Major Moves	Professional Sports Convention Development Area	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	\$ 778,945	\$ 319,805	\$ 788,731	\$ 1,314,462	\$ 509,223	\$ 3,919,661	\$ 5,967,526	\$ 106,204
Investments	1,104,480	453,458	1,118,354	1,863,797	722,036	5,557,754	8,461,458	150,588
Receivables:								
Accounts	-	-	-	-	-	16,850	-	-
Interest	1,076	442	1,090	1,816	704	5,416	8,246	147
Taxes	-	265,657	-	-	-	-	-	-
Property taxes	-	-	-	-	342,762	4,592,585	2,941,126	306,303
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	1,552,482	-	-	-	-	-	-	-
Property held for resale	-	-	-	2,214	436,000	11,300	-	-
Total assets	<u>\$ 3,436,983</u>	<u>\$ 1,039,362</u>	<u>\$ 1,908,175</u>	<u>\$ 3,182,289</u>	<u>\$ 2,010,725</u>	<u>\$ 14,103,566</u>	<u>\$ 17,378,356</u>	<u>\$ 563,242</u>
Liabilities								
Accounts payable	\$ -	\$ 655,000	\$ 17,030	\$ 110,000	\$ -	\$ 99,412	\$ 48,145	\$ -
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	<u>-</u>	<u>655,000</u>	<u>17,030</u>	<u>110,000</u>	<u>-</u>	<u>106,412</u>	<u>48,145</u>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	-	-	-	-	342,762	4,592,585	2,941,126	306,303
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,762</u>	<u>4,592,585</u>	<u>2,941,126</u>	<u>306,303</u>
Fund balances								
Nonspendable	1,552,482	-	-	2,214	436,000	11,300	-	-
Restricted	1,884,501	384,362	-	-	1,231,963	9,393,269	14,389,085	256,939
Committed	-	-	1,891,145	3,070,075	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>3,436,983</u>	<u>384,362</u>	<u>1,891,145</u>	<u>3,072,289</u>	<u>1,667,963</u>	<u>9,404,569</u>	<u>14,389,085</u>	<u>256,939</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,436,983</u>	<u>\$ 1,039,362</u>	<u>\$ 1,908,175</u>	<u>\$ 3,182,289</u>	<u>\$ 2,010,725</u>	<u>\$ 14,103,566</u>	<u>\$ 17,378,356</u>	<u>\$ 563,242</u>

	Capital Projects Funds							
	TIF - River East Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Vehicle Leasing	2017 Park Bond Capital	2017 Eddy St. Commons Bond Capital	2018 Fire Station #9 Bond Capital
Assets								
Cash and cash equivalents	\$ 2,238,863	\$ 4,595	\$ 38,544	\$ 169,212	\$ 347,697	\$ 1,756,354	\$ 25,763	\$ 130,329
Investments	3,174,523	6,516	54,652	239,928	-	2,490,364	-	184,795
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Interest	3,094	6	53	234	-	2,427	-	180
Taxes	-	-	-	-	-	-	-	-
Property taxes	6,527,949	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 11,944,429</u>	<u>\$ 11,117</u>	<u>\$ 93,249</u>	<u>\$ 409,374</u>	<u>\$ 347,697</u>	<u>\$ 4,249,145</u>	<u>\$ 25,763</u>	<u>\$ 315,304</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	1,552,482	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Taxes payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	25,564	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	<u>1,552,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,564</u>	<u>-</u>
Deferred inflows of resources								
- unavailable revenue								
Property taxes receivable	6,527,949	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>6,527,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,863,998	11,117	-	-	347,697	4,249,145	199	315,304
Committed	-	-	93,249	409,374	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>3,863,998</u>	<u>11,117</u>	<u>93,249</u>	<u>409,374</u>	<u>347,697</u>	<u>4,249,145</u>	<u>199</u>	<u>315,304</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,944,429</u>	<u>\$ 11,117</u>	<u>\$ 93,249</u>	<u>\$ 409,374</u>	<u>\$ 347,697</u>	<u>\$ 4,249,145</u>	<u>\$ 25,763</u>	<u>\$ 315,304</u>

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2018 TIF Park Bond Capital	2021 Infrastructure Bond Capital	Total Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ 1,003,263	\$ 1,581,843	\$ 23,101,584	\$ 46,314,240
Investments	1,422,543	2,242,923	30,836,305	43,433,225
Receivables:				
Accounts	-	-	17,150	161,879
Interest	1,386	2,186	30,054	39,711
Taxes	-	-	265,657	265,657
Property taxes	-	-	15,177,871	16,304,444
Loans	-	-	-	6,554,883
Due from other funds	-	-	-	48
Advances to other funds	-	-	1,552,482	1,552,482
Property held for resale	-	-	449,514	2,813,887
Total assets	<u>\$ 2,427,192</u>	<u>\$ 3,826,952</u>	<u>\$ 71,430,617</u>	<u>\$ 117,440,456</u>
Liabilities				
Accounts payable	\$ 51,891	\$ 206,557	\$ 1,188,035	\$ 2,049,510
Due to other funds	-	-	-	1,673
Advances from other funds	-	-	1,552,482	1,908,735
Performance deposits payable	-	-	7,000	11,950
Accrued liabilities and other:				
Accrued payroll payable	-	-	-	246,213
Taxes payable	-	-	-	29,577
Other current payables	-	-	25,564	69,116
Customer deposits	-	-	-	810,439
Total liabilities	<u>51,891</u>	<u>206,557</u>	<u>2,773,081</u>	<u>5,127,213</u>
Deferred inflows of resources				
- unavailable revenue				
Property taxes receivable	-	-	15,177,871	16,304,444
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>15,177,871</u>	<u>16,304,444</u>
Fund balances				
Nonspendable	-	-	2,001,996	4,366,369
Restricted	2,375,301	3,620,395	46,013,014	82,947,523
Committed	-	-	5,464,655	8,053,213
Assigned	-	-	-	668,327
Unassigned	-	-	-	(26,633)
Total fund balances	<u>2,375,301</u>	<u>3,620,395</u>	<u>53,479,665</u>	<u>96,008,799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,427,192</u>	<u>\$ 3,826,952</u>	<u>\$ 71,430,617</u>	<u>\$ 117,440,456</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	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
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	1,975	-	-	-	-	-	-	-	-
Intergovernmental	3,327,401	-	41,014	9,200	2,563,504	-	-	-	-
Charges for services	224,847	-	-	1,453,279	-	-	-	-	-
Fines and forfeitures	-	-	-	57,904	500	-	-	-	34,066
Investment income (loss)	(2,587)	10	1	(480)	-	(163)	1,124	-	88
Other	179,328	-	401	146,338	330,266	22,670	471,609	-	-
Total revenues	3,730,964	10	41,416	1,666,241	2,894,270	22,507	472,733	-	34,154
Expenditures									
Current:									
General government	-	-	-	-	-	-	468,644	-	106,076
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	7,626,348	-	-	-	-	-	33,500	-	-
Community and economic development	-	66,874	41,452	3,347,982	2,822,227	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	71,043	-	-	-
Highways and streets	1,571,080	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	874,648	-	35,604	-	-	-	-	-	-
Interest on long-term debt	39,036	-	401	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	10,111,112	66,874	77,457	3,347,982	2,822,227	71,043	502,144	-	106,076
Excess of revenues (under) over expenditures	(6,380,148)	(66,864)	(36,041)	(1,681,741)	72,043	(48,536)	(29,411)	-	(71,922)
Other financing sources (uses)									
Issuance of debt	890,000	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	12,696	-	-	-	-	-	-	-	-
Transfers in	3,500,000	-	-	500,000	-	7,636	-	-	-
Transfers out	-	-	-	(50,000)	-	-	-	-	-
Total other financing sources (uses)	4,402,696	-	-	450,000	-	7,636	-	-	-
Net change in fund balances	(1,977,452)	(66,864)	(36,041)	(1,231,741)	72,043	(40,900)	(29,411)	-	(71,922)
Fund balances - Beginning of year	6,263,268	757,393	62,850	1,555,590	2,727,548	214,293	954,589	13,846	830,053
Fund balances - End of year	\$ 4,285,816	\$ 690,529	\$ 26,809	\$ 323,849	\$ 2,799,591	\$ 173,393	\$ 925,178	\$ 13,846	\$ 758,131

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Special Revenue Funds								
	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
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	43,555	-	-	-	-	-
Intergovernmental	41,980	-	-	-	2,610,025	-	162,140	1,490,275	791,072
Charges for services	115,023	-	-	47,624	-	-	10,833	-	-
Fines and forfeitures	89,648	6,880	-	411,114	-	-	-	-	-
Investment income (loss)	(352)	(130)	(146)	(2,107)	693	(45)	(291)	-	(1,639)
Other	3,470	-	-	36,142	-	1,500	-	5,000	-
Total revenues	249,769	6,750	(146)	536,328	2,610,718	1,455	172,682	1,495,275	789,433
Expenditures									
Current:									
General government	-	157,952	69,629	3,225,069	-	-	206,450	-	-
Public safety	388,282	-	-	-	-	-	-	17,049	-
Highways and streets	-	-	-	-	768,531	-	-	-	782,357
Community and economic development	-	-	-	-	-	-	-	1,742,102	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	49,478	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	1,008,696	23,927	-	-	1,076,557
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	90,536	-	-	-	-	-
Interest on long-term debt	-	-	-	4,350	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	388,282	157,952	69,629	3,369,433	1,777,227	23,927	206,450	1,759,151	1,858,914
Excess of revenues (under) over expenditures	(138,513)	(151,202)	(69,775)	(2,833,105)	833,491	(22,472)	(33,768)	(263,876)	(1,069,481)
Other financing sources (uses)									
Issuance of debt	-	-	-	235,000	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	1,564	-	-	-	-	-
Transfers in	73,512	50,000	-	2,290,000	-	-	-	1,448,093	1,000,000
Transfers out	-	-	-	-	(2,000,000)	-	-	(1,000,000)	-
Total other financing sources (uses)	73,512	50,000	-	2,526,564	(2,000,000)	-	-	448,093	1,000,000
Net change in fund balances	(65,001)	(101,202)	(69,775)	(306,541)	(1,166,509)	(22,472)	(33,768)	184,217	(69,481)
Fund balances - Beginning of year	450,332	185,167	482,846	740,655	3,483,319	267,492	452,772	(210,850)	574,758
Fund balances - End of year	\$ 385,331	\$ 83,965	\$ 413,071	\$ 434,114	\$ 2,316,810	\$ 245,020	\$ 419,004	\$ (26,633)	\$ 505,277

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Special Revenue Funds								
	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
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	3,204,129	-	-	-	-	-	-	-	103,213
Charges for services	-	4,983	37,223	-	-	94,550	-	19,625	-
Fines and forfeitures	-	-	-	-	-	-	-	-	7,312
Investment income (loss)	811	8	(65)	-	-	(22)	-	29	71
Other	-	500	-	-	-	1,300	-	-	120
Total revenues	<u>3,204,940</u>	<u>5,491</u>	<u>37,158</u>	<u>-</u>	<u>-</u>	<u>95,828</u>	<u>-</u>	<u>19,654</u>	<u>110,716</u>
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	55,196	-	100	22,545
Highways and streets	2,023,294	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	7,648	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	116,658
Highways and streets	265,500	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	<u>2,288,794</u>	<u>7,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,196</u>	<u>-</u>	<u>100</u>	<u>139,203</u>
Excess of revenues (under) over expenditures	<u>916,146</u>	<u>(2,157)</u>	<u>37,158</u>	<u>-</u>	<u>-</u>	<u>40,632</u>	<u>-</u>	<u>19,554</u>	<u>(28,487)</u>
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	916,146	(2,157)	37,158	-	-	40,632	-	19,554	(28,487)
Fund balances - Beginning of year	<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>	<u>26,716</u>	<u>126,411</u>	<u>73,723</u>
Fund balances - End of year	<u>\$ 2,014,229</u>	<u>\$ 74,624</u>	<u>\$ 263,354</u>	<u>\$ 4,152</u>	<u>\$ 28,032</u>	<u>\$ 373,456</u>	<u>\$ 26,716</u>	<u>\$ 145,965</u>	<u>\$ 45,236</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Special Revenue Funds								
	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	Urban Enterprise Association
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,658,410	-	-
Charges for services	-	-	466,321	-	-	-	-	-	526,883
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	201	(7)	177	-	-	-	9	413	1,716
Other	57,918	-	-	-	-	-	-	289,858	326,739
Total revenues	<u>58,119</u>	<u>(7)</u>	<u>466,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>2,948,681</u>	<u>855,338</u>
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	95,282	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	482,841	-	889,787
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>95,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,841</u>	<u>889,787</u>
Excess of revenues (under) over expenditures	<u>58,119</u>	<u>(7)</u>	<u>371,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>2,465,840</u>	<u>(34,449)</u>
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(81,148)	-	(500,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(81,148)</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(23,029)	(7)	(128,784)	-	-	-	9	2,465,840	(34,449)
Fund balances - Beginning of year	<u>83,275</u>	<u>56,446</u>	<u>470,834</u>	<u>2,428</u>	<u>-</u>	<u>30,143</u>	<u>474,179</u>	<u>7,313,742</u>	<u>1,750,249</u>
Fund balances - End of year	<u>\$ 60,246</u>	<u>\$ 56,439</u>	<u>\$ 342,050</u>	<u>\$ 2,428</u>	<u>\$ -</u>	<u>\$ 30,143</u>	<u>\$ 474,188</u>	<u>\$ 9,779,582</u>	<u>\$ 1,715,800</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Special Revenue Funds		Debt Service Funds						
	VPA Foundation	Total Special Revenue Funds	2003 Redevelopment Bond - Airport Taxable	2003 Redevelopment Bond - Palais Royale	2015 Smart Streets Bond Debt Service	2015 Park Bond Debt Service	2017 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service	2018 Fire Station #9 Bond Debt Service
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,956	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	45,530	-	-	-	-	-	-	-
Intergovernmental	-	17,002,363	-	-	-	-	68,319	-	-
Charges for services	-	3,001,191	-	-	-	-	-	-	-
Fines and forfeitures	-	607,424	-	-	-	-	-	-	-
Investment income (loss)	-	(2,683)	(573)	(959)	99	52	(593)	200	-
Other	1,162,357	3,035,516	-	-	-	-	-	-	-
Total revenues	1,162,357	23,689,341	(573)	(959)	99	52	1,184,682	200	-
Expenditures									
Current:									
General government	-	4,233,820	-	-	-	-	-	-	-
Public safety	-	483,172	-	-	-	-	-	-	-
Highways and streets	-	11,329,312	-	-	-	-	-	-	-
Community and economic development	-	9,393,265	-	-	-	-	-	-	-
Culture and recreation	414,140	421,788	-	-	-	-	-	-	-
Capital outlay:									
General government	-	49,478	-	-	-	-	-	-	-
Public safety	-	187,701	-	-	-	-	-	-	-
Highways and streets	-	3,945,760	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	1,000,788	-	-	1,030,000	225,000	825,000	475,000	205,000
Interest on long-term debt	-	43,787	-	-	682,469	149,381	364,190	1,235,875	140,306
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	414,140	31,088,871	-	-	1,712,469	374,381	1,189,190	1,710,875	345,306
Excess of revenues (under) over expenditures	748,217	(7,399,530)	(573)	(959)	(1,712,370)	(374,329)	(4,508)	(1,710,675)	(345,306)
Other financing sources (uses)									
Issuance of debt	-	1,125,000	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	14,260	-	-	-	-	-	-	-
Transfers in	-	8,869,241	-	-	1,716,000	375,986	-	1,915,979	345,306
Transfers out	-	(3,631,148)	(5,196)	(8,686)	-	-	-	-	-
Total other financing sources (uses)	-	6,377,353	(5,196)	(8,686)	1,716,000	375,986	-	1,915,979	345,306
Net change in fund balances	748,217	(1,022,177)	(5,769)	(9,645)	3,630	1,657	(4,508)	205,304	-
Fund balances - Beginning of year	584,189	32,564,324	\$ 1,043,054	\$ 1,743,828	\$ 1,739,076	\$ 586,111	\$ 188,214	\$ 3,463,323	\$ -
Fund balances - End of year	\$ 1,332,406	\$ 31,542,147	\$ 1,037,285	\$ 1,734,183	\$ 1,742,706	\$ 587,768	\$ 183,706	\$ 3,668,627	\$ -

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Debt Service Funds						Capital Projects 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	Total Debt Service Funds	Fire Department Capital	Coveleski Stadium Capital
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,956	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	221,437	-	-	221,437	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	68,319	-	-
Charges for services	-	-	-	-	-	-	-	1,905,360	-
Fines and forfeitures	-	-	-	-	-	-	-	300	-
Investment income (loss)	19	3	18	726	75	58	(875)	(860)	16
Other	-	-	-	89,480	-	-	89,480	1,334	-
Total revenues	19	3	18	311,643	75	58	1,495,317	1,906,134	16
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	10,183
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	929,718	-
Highways and streets	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	650,000	-	291,274	1,850,000	2,109,410	7,660,684	662,651	-
Interest on long-term debt	-	377,750	-	115,437	1,006,069	375,207	4,446,684	36,120	-
Bond issuance costs	-	-	-	-	-	258,996	258,996	-	-
Total expenditures	-	1,027,750	-	406,711	2,856,069	2,743,613	12,366,364	1,628,489	10,183
Excess of revenues (under) over expenditures	19	(1,027,747)	18	(95,068)	(2,855,994)	(2,743,555)	(10,871,047)	277,645	(10,167)
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	7,610,000	7,610,000	210,000	-
Premium on debt	-	-	-	-	-	1,250,022	1,250,022	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	1,036,500	-	97,217	2,866,000	2,522,303	10,875,291	-	-
Transfers out	-	-	(11)	-	-	(9,169,943)	(9,183,836)	(750,306)	-
Total other financing sources (uses)	-	1,036,500	(11)	97,217	2,866,000	2,212,382	10,551,477	(540,306)	-
Net change in fund balances	19	8,753	7	2,149	10,006	(531,173)	(319,570)	(262,661)	(10,167)
Fund balances - Beginning of year	\$ 1,033,158	\$ 690	\$ 326,939	\$ 194,191	\$ 232,423	\$ 755,550	11,306,557	3,016,888	10,979
Fund balances - End of year	\$ 1,033,177	\$ 9,443	\$ 326,946	\$ 196,340	\$ 242,429	\$ 224,377	\$ 10,986,987	\$ 2,754,227	\$ 812

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Capital Projects Funds								
	Cumulative Capital Development	Cumulative Capital Improvement	Major Moves	Professional Sports Convention Development Area	Morris Performing Arts Center Capital	Redevelopment General	TIF - West Washington	TIF - River East Development	TIF - Southside Development Area No. 1
Revenues									
Property taxes	\$ 469,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,856	\$ 4,328,968	\$ 2,981,728
Income taxes	-	-	-	-	-	3,543	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	41,568	207,760	84,756	1,041,071	-	-	-	-	-
Charges for services	-	-	-	-	37,223	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	(361)	(230)	161	(1,709)	(4,383)	(3,197)	273	(3,513)	(3,178)
Other	-	25,000	66,291	-	-	1,412,877	-	89,527	-
Total revenues	510,331	232,530	151,208	1,039,362	32,840	1,413,223	349,129	4,414,982	2,978,550
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	55,310	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	624,368	45,544	50,966	99,344
Culture and recreation	-	-	-	-	25,196	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	27,855	-	-	-	-	584,532	-
Community and economic development	-	-	-	-	-	-	202,738	627,246	524,814
Culture and recreation	-	-	-	655,000	120,285	-	-	523	487,974
Debt service:									
Principal	370,109	-	-	-	-	-	-	-	-
Interest on long-term debt	24,658	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	394,767	-	83,165	655,000	145,481	624,368	248,282	1,263,267	1,112,132
Excess of revenues (under) over expenditures	115,564	232,530	68,043	384,362	(112,641)	788,855	100,847	3,151,715	1,866,418
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,800,000	-	-	673,180	-
Transfers out	-	(262,145)	-	-	-	(147,786)	-	-	-
Total other financing sources (uses)	-	(262,145)	-	-	1,800,000	(147,786)	-	673,180	-
Net change in fund balances	115,564	(29,615)	68,043	384,362	1,687,359	641,069	100,847	3,824,895	1,866,418
Fund balances - Beginning of year	170,469	679,094	3,368,940	-	203,786	2,431,220	1,567,116	5,579,674	12,522,667
Fund balances - End of year	\$ 286,033	\$ 649,479	\$ 3,436,983	\$ 384,362	\$ 1,891,145	\$ 3,072,289	\$ 1,667,963	\$ 9,404,569	\$ 14,389,085

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Capital Projects Funds								
	TIF - Douglas Road	TIF - River East Residential	Certified Technology Park	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	Equipment Vehicle Leasing	2017 Park Bond Capital	2017 Eddy St. Commons Bond Capital	2018 Fire Station #9 Bond Capital
Revenues									
Property taxes	\$ 269,923	\$ 6,299,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	12,077	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income (loss)	(269)	(9,884)	-	(13)	8	17	781	1	6
Other	-	-	-	-	-	-	-	-	-
Total revenues	269,654	6,289,116	-	12,064	8	17	781	1	6
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Community and economic development	14,800	13,350	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,423,265	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	67,791	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	14,800	81,141	-	-	-	-	1,423,265	-	-
Excess of revenues (under) over expenditures	254,854	6,207,975	-	12,064	8	17	(1,422,484)	1	6
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(91,370)	(5,058,659)	-	-	-	-	-	-	-
Total other financing sources (uses)	(91,370)	(5,058,659)	-	-	-	-	-	-	-
Net change in fund balances	163,484	1,149,316	-	12,064	8	17	(1,422,484)	1	6
Fund balances - Beginning of year	93,455	2,714,682	11,117	81,185	409,366	347,680	5,671,629	198	315,298
Fund balances - End of year	\$ 256,939	\$ 3,863,998	\$ 11,117	\$ 93,249	\$ 409,374	\$ 347,697	\$ 4,249,145	\$ 199	\$ 315,304

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2021

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2018 TIF Park Bond Capital	2021 Infrastructure Bond Capital	Total Capital Projects Funds	
Revenues				
Property taxes	\$ -	\$ -	\$ 14,697,599	\$ 15,814,555
Income taxes	-	-	3,543	3,543
Hotel/motel taxes	-	-	-	221,437
Licenses and permits	-	-	-	45,530
Intergovernmental	-	-	1,375,155	18,445,837
Charges for services	-	-	1,954,660	4,955,851
Fines and forfeitures	-	-	300	607,724
Investment income (loss)	122	11,692	(14,520)	(18,078)
Other	-	-	1,595,029	4,720,025
Total revenues	<u>122</u>	<u>11,692</u>	<u>19,611,766</u>	<u>44,796,424</u>
Expenditures				
Current:				
General government	-	-	-	4,233,820
Public safety	-	-	-	483,172
Highways and streets	-	-	55,310	11,384,622
Community and economic development	-	-	848,372	10,241,637
Culture and recreation	-	-	35,379	457,167
Capital outlay:				
General government	-	-	-	49,478
Public safety	-	-	929,718	1,117,419
Highways and streets	-	3,992,323	4,604,710	8,550,470
Community and economic development	-	-	1,354,798	1,354,798
Culture and recreation	13,231	-	2,700,278	2,700,278
Debt service:				
Principal	-	-	1,032,760	9,694,232
Interest on long-term debt	-	-	128,569	4,619,040
Bond issuance costs	-	-	-	258,996
Total expenditures	<u>13,231</u>	<u>3,992,323</u>	<u>11,689,894</u>	<u>55,145,129</u>
Excess of revenues (under) over expenditures	<u>(13,109)</u>	<u>(3,980,631)</u>	<u>7,921,872</u>	<u>(10,348,705)</u>
Other financing sources (uses)				
Issuance of debt	-	-	210,000	8,945,000
Premium on debt	-	-	-	1,250,022
Proceeds from sale of capital assets	-	-	-	14,260
Transfers in	-	8,601,026	11,074,206	30,818,738
Transfers out	-	(1,000,000)	(7,310,266)	(20,125,250)
Total other financing sources (uses)	<u>-</u>	<u>7,601,026</u>	<u>3,973,940</u>	<u>20,902,770</u>
Net change in fund balances	(13,109)	3,620,395	11,895,812	10,554,065
Fund balances - Beginning of year	<u>2,388,410</u>	<u>-</u>	<u>41,583,853</u>	<u>85,454,734</u>
Fund balances - End of year	<u>\$ 2,375,301</u>	<u>\$ 3,620,395</u>	<u>\$ 53,479,665</u>	<u>\$ 96,008,799</u>

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 16,247,264	\$ 18,120,969	\$ 18,120,969	\$ -
Intergovernmental	397,000	1,251,707	1,251,707	-
Investment income	178,188	154,188	153,650	(538)
Other	-	22,900	22,900	-
	<u>16,822,452</u>	<u>19,549,764</u>	<u>19,549,226</u>	<u>(538)</u>
Total revenues				
Expenditures:				
Current:				
Economic development:				
Other services and charges	5,865,433	5,596,780	5,556,519	40,261
Capital outlay	3,512,515	7,260,635	4,873,092	2,387,543
	<u>9,377,948</u>	<u>12,857,415</u>	<u>10,429,611</u>	<u>2,427,804</u>
Total expenditures				
Other Financing Sources (Uses):				
Transfers in	90,000	657,593	585,315	(72,278)
Transfers out	(5,013,803)	(5,013,803)	(5,013,303)	500
	<u>2,520,701</u>	<u>2,336,139</u>	<u>4,691,627</u>	<u>2,355,488</u>
Net change in fund balances				
Fund balances - Beginning	29,039,261	29,039,261	29,039,261	-
Fund balances - Ending	<u>\$ 31,559,962</u>	<u>\$ 31,375,400</u>	<u>\$ 33,730,888</u>	<u>\$ 2,355,488</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 4,691,627	
To adjust revenues for accruals			(193,235)	
To adjust expenditures for accruals			23,343	
			<u>4,521,735</u>	
Net change in fund balance, GAAP basis			<u>\$ 4,521,735</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 Special Revenue Funds - Motor Vehicle Highway
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 1,975	\$ (1,025)
Intergovernmental	3,041,250	3,327,401	3,327,401	-
Charges for services	232,670	232,670	224,847	(7,823)
Investment income	26,878	26,878	23,518	(3,360)
Other	155,463	173,489	179,328	5,839
 Total revenues	3,459,261	3,763,438	3,757,069	(6,369)
 Expenditures:				
Current:				
Highways and streets:				
Personnel services	4,235,138	4,229,138	3,995,001	234,137
Supplies	850,775	1,010,352	898,714	111,638
Other services and charges	4,137,494	3,667,874	3,507,492	160,382
Capital outlay	1,676,108	1,571,080	1,571,080	-
 Total expenditures	10,899,515	10,478,444	9,972,287	506,157
 Other Financing Sources (Uses):				
Debt proceeds	-	890,000	890,000	-
Proceeds from sale of capital assets	-	-	12,696	12,696
Transfers in	3,500,000	3,500,000	3,500,000	-
 Net change in fund balances	(3,940,254)	(2,325,006)	(1,812,522)	512,484
 Fund balances - Beginning	6,607,820	6,607,820	6,607,820	-
 Fund balances - Ending	\$ 2,667,566	\$ 4,282,814	\$ 4,795,298	\$ 512,484
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,812,522)	
To adjust revenues for accruals			(26,105)	
To adjust expenditures for accruals			(138,825)	
 Net change in fund balance, GAAP basis			\$ (1,977,452)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,388	\$ 4,318	\$ 4,318	\$ -
Other	100,000	-	-	-
Total revenues	103,388	4,318	4,318	-
Expenditures:				
Current:				
Economic development:				
Other services and charges	59,671	109,228	75,182	34,046
Total expenditures	59,671	109,228	75,182	34,046
Net change in fund balances	43,717	(104,910)	(70,864)	34,046
Fund balances - Beginning	763,112	763,112	763,112	-
Fund balances - Ending	\$ 806,829	\$ 658,202	\$ 692,248	\$ 34,046
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (70,864)	
To adjust revenues for accruals			(4,308)	
To adjust expenditures for accruals			8,308	
Net change in fund balance, GAAP basis			\$ (66,864)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 575,000	\$ 41,015	\$ (533,985)
Investment income	544	544	160	(384)
Other	72,011	72,011	36,005	(36,006)
Total revenues	72,555	647,555	77,180	(570,375)
Expenditures:				
Current:				
Economic development:				
Other services and charges	84,517	77,459	77,457	2
Total expenditures	84,517	77,459	77,457	2
Net change in fund balances	(11,962)	570,096	(277)	(570,373)
Fund balances - Beginning	27,154	27,154	27,154	-
Fund balances - Ending	\$ 15,192	\$ 597,250	\$ 26,877	\$ (570,373)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (277)	
To adjust revenues for accruals			(35,764)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (36,041)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 552,550	\$ 18,550	\$ 9,200	\$ (9,350)
Charges for services	483,267	1,047,267	1,453,279	406,012
Fines and forfeitures	56,840	56,840	57,904	1,064
Investment income	15,000	15,000	6,023	(8,977)
Other	175,765	145,765	146,338	573
	<u>1,283,422</u>	<u>1,283,422</u>	<u>1,672,744</u>	<u>389,322</u>
Total revenues				
Expenditures:				
Current:				
Economic development:				
Personnel services	2,637,998	2,672,090	2,429,268	242,822
Supplies	32,621	28,569	20,424	8,145
Other services and charges	1,384,939	1,114,365	896,491	217,874
	<u>4,055,558</u>	<u>3,815,024</u>	<u>3,346,183</u>	<u>468,841</u>
Total expenditures				
Other Financing Sources (Uses):				
Transfers in	1,752,159	1,752,159	500,000	(1,252,159)
Transfers out	(50,000)	(50,000)	(50,000)	-
	<u>(1,069,977)</u>	<u>(829,443)</u>	<u>(1,223,439)</u>	<u>(393,996)</u>
Net change in fund balances				
Fund balances - Beginning	1,629,498	1,629,498	1,629,498	-
Fund balances - Ending	<u>\$ 559,521</u>	<u>\$ 800,055</u>	<u>\$ 406,059</u>	<u>\$ (393,996)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,223,439)	
To adjust revenues for accruals			(6,502)	
To adjust expenditures for accruals			(1,800)	
Net change in fund balance, GAAP basis			\$ (1,231,741)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,150,111	\$ 8,650,111	\$ 2,563,504	\$ (6,086,607)
Fines and forfeitures	-	500	500	-
Other	119,687	325,930	341,376	15,446
Total revenues	3,269,798	8,976,541	2,905,380	(6,071,161)
Expenditures:				
Current:				
Economic development:				
Other services and charges	6,008,550	2,811,571	2,811,571	-
Total expenditures	6,008,550	2,811,571	2,811,571	-
Net change in fund balances	(2,738,752)	6,164,970	93,809	(6,071,161)
Fund balances - Beginning	313,907	313,907	313,907	-
Fund balances - Ending	\$ (2,424,845)	\$ 6,478,877	\$ 407,716	\$ (6,071,161)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 93,809	
To adjust revenues for accruals			(11,110)	
To adjust expenditures for accruals			(10,656)	
Net change in fund balance, GAAP basis			\$ 72,043	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	\$ 22,670	\$ 22,670	\$ -
Investment income	1,415	993	993	-
Total revenues	11,415	23,663	23,663	-
Expenditures:				
Current:				
Public safety:				
Other services and charges	22,000	22,000	-	22,000
Capital outlay	75,043	75,043	71,043	4,000
Total expenditures	97,043	97,043	71,043	26,000
Other Financing Sources (Uses):				
Transfers in	-	7,636	7,636	-
Net change in fund balances	(85,628)	(65,744)	(39,744)	26,000
Fund balances - Beginning	213,569	213,569	213,569	-
Fund balances - Ending	\$ 127,941	\$ 147,825	\$ 173,825	\$ 26,000
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (39,744)	
To adjust revenues for accruals			(1,156)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (40,900)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Gift, Donation, Bequest
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 5,630	\$ 6,480	\$ 6,884	\$ 404
Other	490,506	613,486	471,608	(141,878)
Total revenues	496,136	619,966	478,492	(141,474)
Expenditures:				
Current:				
General government:				
Supplies	5,000	5,000	-	5,000
Other services and charges	801,105	637,310	481,425	155,885
Total expenditures	806,105	642,310	481,425	160,885
Net change in fund balances	(309,969)	(22,344)	(2,933)	19,411
Fund balances - Beginning	981,455	981,455	981,455	-
Fund balances - Ending	\$ 671,486	\$ 959,111	\$ 978,522	\$ 19,411
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,933)	
To adjust revenues for accruals			(5,759)	
To adjust expenditures for accruals			(20,719)	
Net change in fund balance, GAAP basis			\$ (29,411)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200	\$ 1,000	\$ -	\$ (1,000)
Investment income	158	158	82	(76)
Total revenues	358	1,158	82	(1,076)
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	(642)	158	82	(76)
Fund balances - Beginning	13,799	13,799	13,799	-
Fund balances - Ending	\$ 13,157	\$ 13,957	\$ 13,881	\$ (76)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 82	
To adjust revenues for accruals			(82)	
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 - Unsafe Building
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 111,100	\$ 111,100	\$ 34,066	\$ (77,034)
Investment income	11,932	11,932	4,812	(7,120)
Total revenues	123,032	123,032	38,878	(84,154)
Expenditures:				
Current:				
General government:				
Other services and charges	113,805	113,805	107,286	6,519
Total expenditures	113,805	113,805	107,286	6,519
Net change in fund balances	9,227	9,227	(68,408)	(77,635)
Fund balances - Beginning	832,938	832,938	832,938	-
Fund balances - Ending	\$ 842,165	\$ 842,165	\$ 764,530	\$ (77,635)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (68,408)	
To adjust revenues for accruals			(4,724)	
To adjust expenditures for accruals			1,210	
Net change in fund balance, GAAP basis			\$ (71,922)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 41,980	\$ 41,980
Charges for services	130,000	134,077	115,024	(19,053)
Fines and forfeitures	111,000	129,740	89,648	(40,092)
Investment income	2,937	2,937	2,229	(708)
Other	16,000	3,970	3,470	(500)
	<u>259,937</u>	<u>270,724</u>	<u>252,351</u>	<u>(18,373)</u>
Expenditures:				
Current:				
Public safety:				
Supplies	137,706	204,508	193,652	10,856
Other services and charges	194,624	274,004	229,333	44,671
	<u>332,330</u>	<u>478,512</u>	<u>422,985</u>	<u>55,527</u>
Other Financing Sources (Uses):				
Transfers in	-	-	73,512	73,512
	<u>(72,393)</u>	<u>(207,788)</u>	<u>(97,122)</u>	<u>110,666</u>
Net change in fund balances				
Fund balances - Beginning	483,549	483,549	483,549	-
Fund balances - Ending	<u>\$ 411,156</u>	<u>\$ 275,761</u>	<u>\$ 386,427</u>	<u>\$ 110,666</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (97,122)	
To adjust revenues for accruals			(2,583)	
To adjust expenditures for accruals			34,704	
Net change in fund balance, GAAP basis			<u>\$ (65,001)</u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 6,880	\$ (93,120)
Investment income	200	690	728	38
Total revenues	100,200	100,690	7,608	(93,082)
Expenditures:				
Current:				
General government:				
Personnel services	266,577	266,577	159,046	107,531
Supplies	5,800	5,800	236	5,564
Other services and charges	96,200	49,529	-	49,529
Total expenditures	368,577	321,906	159,282	162,624
Other Financing Sources (Uses):				
Transfers in	241,527	241,527	50,000	(191,527)
Net change in fund balances	(26,850)	20,311	(101,674)	(121,985)
Fund balances - Beginning	189,090	189,090	189,090	-
Fund balances - Ending	\$ 162,240	\$ 209,401	\$ 87,416	\$ (121,985)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (101,674)	
To adjust revenues for accruals			(859)	
To adjust expenditures for accruals			1,331	
Net change in fund balance, GAAP basis			\$ (101,202)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Loss Recovery
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 5,536	\$ 2,515	\$ 2,515	\$ -
Total revenues	<u>5,536</u>	<u>2,515</u>	<u>2,515</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Other services and charges	<u>69,630</u>	<u>69,630</u>	<u>69,630</u>	<u>-</u>
Total expenditures	<u>69,630</u>	<u>69,630</u>	<u>69,630</u>	<u>-</u>
Net change in fund balances	(64,094)	(67,115)	(67,115)	-
Fund balances - Beginning	<u>481,214</u>	<u>481,214</u>	<u>481,214</u>	<u>-</u>
Fund balances - Ending	<u>\$ 417,120</u>	<u>\$ 414,099</u>	<u>\$ 414,099</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (67,115)	
To adjust revenues for accruals			(2,660)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ (69,775)</u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 31,200	\$ 31,200	\$ 43,555	\$ 12,355
Charges for services	53,250	53,250	47,624	(5,626)
Fines and forfeitures	304,000	304,000	411,114	107,114
Investment income	-	930	941	11
Other	37,433	37,433	36,142	(1,291)
	<u>425,883</u>	<u>426,813</u>	<u>539,376</u>	<u>112,563</u>
Expenditures:				
Current:				
General government:				
Personnel services	2,085,672	2,095,672	1,986,353	109,319
Supplies	165,536	146,671	110,837	35,834
Other services and charges	1,735,355	1,754,377	1,223,266	531,111
Capital outlay	80,000	80,000	49,478	30,522
	<u>4,066,563</u>	<u>4,076,720</u>	<u>3,369,934</u>	<u>706,786</u>
Other Financing Sources (Uses):				
Debt proceeds	-	235,000	235,000	-
Proceeds from sale of capital assets	-	-	1,564	1,564
Transfers in	3,573,687	3,573,687	2,290,000	(1,283,687)
	<u>(66,993)</u>	<u>158,780</u>	<u>(303,994)</u>	<u>(462,774)</u>
Net change in fund balances				
Fund balances - Beginning	<u>803,572</u>	<u>803,572</u>	<u>803,572</u>	<u>-</u>
Fund balances - Ending	<u>\$ 736,579</u>	<u>\$ 962,352</u>	<u>\$ 499,578</u>	<u>\$ (462,774)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (303,994)	
To adjust revenues for accruals			(3,047)	
To adjust expenditures for accruals			500	
Net change in fund balance, GAAP basis			<u><u>\$ (306,541)</u></u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Local Road and Street
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,889,462	\$ 2,610,026	\$ 2,610,026	\$ -
Investment income	7,007	18,850	18,850	-
Total revenues	1,896,469	2,628,876	2,628,876	-
Expenditures:				
Current:				
Highways and streets:				
Supplies	400,548	367,364	367,364	-
Other services and charges	1,313,250	1,272,301	1,002,386	269,915
Capital outlay	915,452	612,685	543,198	69,487
Total expenditures	2,629,250	2,252,350	1,912,948	339,402
Other Financing Sources (Uses):				
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
Net change in fund balances	(2,732,781)	(1,623,474)	(1,284,072)	339,402
Fund balances - Beginning	3,632,884	3,632,884	3,632,884	-
Fund balances - Ending	\$ 900,103	\$ 2,009,410	\$ 2,348,812	\$ 339,402
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,284,072)	
To adjust revenues for accruals			(18,158)	
To adjust expenditures for accruals			135,721	
Net change in fund balance, GAAP basis			\$ (1,166,509)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 129	\$ 1,469	\$ 1,469	\$ -
Other	-	1,500	1,500	-
Total revenues	129	2,969	2,969	-
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	6,004	106,004	3,762	102,242
Capital outlay	103,459	46,509	20,166	26,343
Total expenditures	109,463	152,513	23,928	128,585
Net change in fund balances	(109,334)	(149,544)	(20,959)	128,585
Fund balances - Beginning	266,588	266,588	266,588	-
Fund balances - Ending	\$ 157,254	\$ 117,044	\$ 245,629	\$ 128,585
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (20,959)	
To adjust revenues for accruals			(1,513)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (22,472)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 143,200	\$ 160,473	\$ 162,140	\$ 1,667
Charges for services	-	10,833	10,833	-
Investment income	-	2,417	2,417	-
Other	2,050	2,050	-	(2,050)
Total revenues	145,250	175,773	175,390	(383)
Expenditures:				
Current:				
General government:				
Personnel services	173,692	173,692	163,721	9,971
Supplies	2,000	8,500	3,864	4,636
Other services and charges	55,900	92,974	67,420	25,554
Total expenditures	231,592	275,166	235,005	40,161
Net change in fund balances	(86,342)	(99,393)	(59,615)	39,778
Fund balances - Beginning	486,159	486,159	486,159	-
Fund balances - Ending	\$ 399,817	\$ 386,766	\$ 426,544	\$ 39,778
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (59,615)	
To adjust revenues for accruals			(2,707)	
To adjust expenditures for accruals			28,554	
Net change in fund balance, GAAP basis			\$ (33,768)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 2,531,756	\$ 1,490,275	\$ (1,041,481)
Other	-	5,000	5,000	-
Total revenues	-	2,536,756	1,495,275	(1,041,481)
Expenditures:				
Current:				
General government:				
Supplies	18,587	18,587	18,318	269
Other services and charges	2,286,271	2,366,226	1,977,914	388,312
Total expenditures	2,304,858	2,384,813	1,996,232	388,581
Other Financing Sources (Uses):				
Transfers in	-	1,500,000	1,448,093	(51,907)
Transfers out	-	(1,000,000)	(1,000,000)	-
Net change in fund balances	(2,304,858)	651,943	(52,864)	(704,807)
Fund balances - Beginning	53,214	53,214	53,214	-
Fund balances - Ending	\$ (2,251,644)	\$ 705,157	\$ 350	\$ (704,807)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (52,864)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			237,081	
Net change in fund balance, GAAP basis			\$ 184,217	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 1,141,172	\$ 791,072	\$ (350,100)
Investment income	10	4,010	4,832	822
Total revenues	1,000,010	1,145,182	795,904	(349,278)
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	2,975,480	2,497,142	2,482,521	14,621
Total expenditures	2,975,480	2,497,142	2,482,521	14,621
Other Financing Sources (Uses):				
Transfers in	1,000,000	1,000,000	1,000,000	-
Net change in fund balances	(975,470)	(351,960)	(686,617)	(334,657)
Fund balances - Beginning	1,391,493	1,391,493	1,391,493	-
Fund balances - Ending	\$ 416,023	\$ 1,039,533	\$ 704,876	\$ (334,657)
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (686,617)	
To adjust revenues for accruals			(6,470)	
To adjust expenditures for accruals			623,606	
Net change in fund balance, GAAP basis			\$ (69,481)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,041,250	\$ 3,204,129	\$ 3,204,129	\$ -
Investment income	187	9,704	9,704	-
Total revenues	3,041,437	3,213,833	3,213,833	-
Expenditures:				
Current:				
Highways and streets:				
Personnel services	493,372	499,372	358,626	140,746
Supplies	1,220,912	1,136,317	1,099,093	37,224
Other services and charges	1,512,302	1,234,302	818,145	416,157
Capital outlay	-	15,800	15,800	-
Total expenditures	3,226,586	2,885,791	2,291,664	594,127
Net change in fund balances	(185,149)	328,042	922,169	594,127
Fund balances - Beginning	1,126,297	1,126,297	1,126,297	-
Fund balances - Ending	\$ 941,148	\$ 1,454,339	\$ 2,048,466	\$ 594,127
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 922,169	
To adjust revenues for accruals			(8,893)	
To adjust expenditures for accruals			2,870	
Net change in fund balance, GAAP basis			\$ 916,146	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 4,983	\$ (17)
Investment income	578	578	453	(125)
Other	-	500	500	-
	5,578	6,078	5,936	(142)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	29,984	29,984	7,648	22,336
	29,984	29,984	7,648	22,336
Net change in fund balances	(24,406)	(23,906)	(1,712)	22,194
Fund balances - Beginning	76,521	76,521	76,521	-
Fund balances - Ending	\$ 52,115	\$ 52,615	\$ 74,809	\$ 22,194
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,712)	
To adjust revenues for accruals			(445)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (2,157)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 65,000	\$ 65,000	\$ 37,223	\$ (27,777)
Investment income	1,737	1,737	1,355	(382)
Total revenues	66,737	66,737	38,578	(28,159)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	115,000	115,000	-	115,000
Total expenditures	115,000	115,000	-	115,000
Net change in fund balances	(48,263)	(48,263)	38,578	86,841
Fund balances - Beginning	225,432	225,432	225,432	-
Fund balances - Ending	\$ 177,169	\$ 177,169	\$ 264,010	\$ 86,841
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 38,578	
To adjust revenues for accruals			(1,420)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 37,158	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 56	\$ 56	\$ 24	\$ (32)
Total revenues	56	56	24	(32)
Net change in fund balances	56	56	24	(32)
Fund balances - Beginning	4,138	4,138	4,138	-
Fund balances - Ending	\$ 4,194	\$ 4,194	\$ 4,162	\$ (32)

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$	24	
To adjust revenues for accruals		(24)	
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 - Hazmat
 December 31, 2021

	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	376	376	165	(211)
Total revenues	10,376	10,376	165	(10,211)
Expenditures:				
Current:				
Public safety:				
Supplies	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balances	376	376	165	(211)
Fund balances - Beginning	27,937	27,937	27,937	-
Fund balances - Ending	\$ 28,313	\$ 28,313	\$ 28,102	\$ (211)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 165	
To adjust revenues for accruals			(165)	
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 - Indiana River Rescue

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 90,000	\$ 90,000	\$ 94,550	\$ 4,550
Investment income	3,892	3,892	1,993	(1,899)
Other	-	1,300	1,300	-
	93,892	95,192	97,843	2,651
Expenditures:				
Current:				
Public safety:				
Personnel services	5,500	-	-	-
Supplies	18,500	37,525	32,702	4,823
Other services and charges	68,300	47,716	20,433	27,283
	92,300	85,241	53,135	32,106
Net change in fund balances	1,592	9,951	44,708	34,757
Fund balances - Beginning	330,404	330,404	330,404	-
Fund balances - Ending	\$ 331,996	\$ 340,355	\$ 375,112	\$ 34,757
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 44,708	
To adjust revenues for accruals			(2,016)	
To adjust expenditures for accruals			(2,060)	
Net change in fund balance, GAAP basis			\$ 40,632	

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

December 31, 2021

	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, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 25,000	\$ 19,625	\$ (5,375)
Investment income	1,620	3,000	819	(2,181)
 Total revenues	 21,620	 28,000	 20,444	 (7,556)
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	-	1,500
Other services and charges	15,750	15,750	100	15,650
 Total expenditures	 17,250	 17,250	 100	 17,150
 Net change in fund balances	 4,370	 10,750	 20,344	 9,594
 Fund balances - Beginning	 125,984	 125,984	 125,984	 -
 Fund balances - Ending	 \$ 130,354	 \$ 136,734	 \$ 146,328	 \$ 9,594
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 20,344	
To adjust revenues for accruals			(790)	
 Net change in fund balance, GAAP basis			 \$ 19,554	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 98,920	\$ 103,213	\$ 4,293
Fines and forfeitures	10,000	10,000	7,312	(2,688)
Investment income	170	375	432	57
Other	-	120	120	-
Total revenues	10,170	109,415	111,077	1,662
Expenditures:				
Current:				
Public safety:				
Supplies	20,000	17,000	16,331	669
Other services and charges	20,000	11,065	6,214	4,851
Capital outlay	29,433	126,278	116,658	9,620
Total expenditures	69,433	154,343	139,203	15,140
Net change in fund balances	(59,263)	(44,928)	(28,126)	16,802
Fund balances - Beginning	73,474	73,474	73,474	-
Fund balances - Ending	\$ 14,211	\$ 28,546	\$ 45,348	\$ 16,802
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (28,126)	
To adjust revenues for accruals			(361)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ (28,487)</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Federal Drug Enforcement
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,000	\$ 57,919	\$ 57,919	\$ -
Investment income	883	883	192	(691)
Total revenues	25,883	58,802	58,111	(691)
Expenditures:				
Current:				
Public safety:				
Supplies	6,000	6,000	-	6,000
Capital outlay	22,500	22,500	-	22,500
Total expenditures	28,500	28,500	-	28,500
Other Financing Sources (Uses):				
Transfers out	-	(81,148)	(81,148)	-
Net change in fund balances	(2,617)	(50,846)	(23,037)	27,809
Fund balances - Beginning	83,275	83,275	83,275	-
Fund balances - Ending	\$ 80,658	\$ 32,429	\$ 60,238	\$ 27,809
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (23,037)	
To adjust revenues for accruals			8	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (23,029)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 572	\$ 572	\$ 172	\$ (400)
Other	21,996	21,996	18,278	(3,718)
Total revenues	22,568	22,568	18,450	(4,118)
Expenditures:				
Current:				
Economic development:				
Other services and charges	24,000	24,000	24,000	-
Total expenditures	24,000	24,000	24,000	-
Net change in fund balances	(1,432)	(1,432)	(5,550)	(4,118)
Fund balances - Beginning	32,733	32,733	32,733	-
Fund balances - Ending	\$ 31,301	\$ 31,301	\$ 27,183	\$ (4,118)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (5,550)	
To adjust revenues for accruals			(18,457)	
To adjust expenditures for accruals			24,000	
Net change in fund balance, GAAP basis			\$ (7)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 451,610	\$ 451,610	\$ 466,321	\$ 14,711
Investment income	3,221	2,322	2,322	-
Total revenues	454,831	453,932	468,643	14,711
Expenditures:				
Current:				
Highways and streets:				
Personnel services	79,575	79,575	43,841	35,734
Supplies	10,476	10,476	3,980	6,496
Other services and charges	44,236	44,236	39,529	4,707
Total expenditures	134,287	134,287	87,350	46,937
Other Financing Sources (Uses):				
Transfers out	(500,000)	(500,000)	(500,000)	-
Net change in fund balances	(179,456)	(180,355)	(118,707)	61,648
Fund balances - Beginning	425,913	425,913	425,913	-
Fund balances - Ending	\$ 246,457	\$ 245,558	\$ 307,206	\$ 61,648
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (118,707)	
To adjust revenues for accruals			(2,145)	
To adjust expenditures for accruals			(7,932)	
Net change in fund balance, GAAP basis			\$ (128,784)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Police K-9 Unit
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 5	\$ 25	\$ 14	\$ (11)
Total revenues	5	25	14	(11)
Expenditures:				
Current:				
Public safety:				
Other services and charges	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	5	25	14	(11)
Fund balances - Beginning	2,420	2,420	2,420	-
Fund balances - Ending	\$ 2,425	\$ 2,445	\$ 2,434	\$ (11)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 14	
To adjust revenues for accruals			(14)	
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 - City Cemetery
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 134	\$ 178	\$ 178	\$ -
Total revenues	<u>134</u>	<u>178</u>	<u>178</u>	<u>-</u>
Net change in fund balances	134	178	178	-
Fund balances - Beginning	<u>30,041</u>	<u>30,041</u>	<u>30,041</u>	<u>-</u>
Fund balances - Ending	<u>\$ 30,175</u>	<u>\$ 30,219</u>	<u>\$ 30,219</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 178	
To adjust revenues for accruals			(178)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><u>\$ -</u></u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Special Revenue Funds - Bowman Cemetery
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 6,392	\$ 2,793	\$ 2,793	\$ -
Total revenues	<u>6,392</u>	<u>2,793</u>	<u>2,793</u>	<u>-</u>
Net change in fund balances	6,392	2,793	2,793	-
Fund balances - Beginning	<u>472,576</u>	<u>472,576</u>	<u>472,576</u>	<u>-</u>
Fund balances - Ending	<u>\$ 478,968</u>	<u>\$ 475,369</u>	<u>\$ 475,369</u>	<u>\$ -</u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,793	
To adjust revenues for accruals			(2,784)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><u>\$ 9</u></u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 699,000	\$ 7,689,000	\$ 2,658,410	\$ (5,030,590)
Investment income	-	20,001	380	(19,621)
Other	244,000	224,000	300,472	76,472
Total revenues	943,000	7,933,001	2,959,262	(4,973,739)
Expenditures:				
Current:				
Economic development:				
Other services and charges	498,560	3,052,131	3,190,699	(138,568)
Total expenditures	498,560	3,052,131	3,190,699	(138,568)
Net change in fund balances	444,440	4,880,870	(231,437)	(5,112,307)
Fund balances - Beginning	2,406,914	2,406,914	2,406,914	-
Fund balances - Ending	\$ 2,851,354	\$ 7,287,784	\$ 2,175,477	\$ (5,112,307)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (231,437)	
To adjust revenues for accruals			(10,582)	
To adjust expenditures for accruals			2,707,859	
Net change in fund balance, GAAP basis			\$ 2,465,840	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 1,100,842	\$ 1,116,956	\$ 1,116,956	\$ -
Intergovernmental	45,280	68,319	68,319	-
Investment income	2,023	500	500	-
Total revenues	1,148,145	1,185,775	1,185,775	-
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,189,193	1,189,193	1,189,190	3
Total expenditures	1,189,193	1,189,193	1,189,190	3
Net change in fund balances	(41,048)	(3,418)	(3,415)	3
Fund balances - Beginning	187,578	187,578	187,578	-
Fund balances - Ending	\$ 146,530	\$ 184,160	\$ 184,163	\$ 3
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (3,415)	
To adjust revenues for accruals			(1,093)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (4,508)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 40,000	\$ 40,000	\$ 6,133	\$ (33,867)
Total revenues	40,000	40,000	6,133	(33,867)
Other Financing Sources (Uses):				
Transfers out	(40,000)	(40,000)	(6,133)	33,867
Net change in fund balances	-	-	-	-
Fund balances - Beginning	1,040,462	1,040,462	1,040,462	-
Fund balances - Ending	\$ 1,040,462	\$ 1,040,462	\$ 1,040,462	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			(6,706)	
To adjust expenditures for accruals			937	
Net change in fund balance, GAAP basis			\$ (5,769)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2003 Redevelopment Bond - Palais Royale
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 50,000	\$ 50,000	\$ 10,253	\$ (39,747)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>10,253</u>	<u>(39,747)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(10,253)</u>	<u>39,747</u>
Net change in fund balances	-	-	-	-
Fund balances - Beginning	<u>1,739,495</u>	<u>1,739,495</u>	<u>1,739,495</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,739,495</u>	<u>\$ 1,739,495</u>	<u>\$ 1,739,495</u>	<u>\$ -</u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			(11,212)	
To adjust expenditures for accruals			<u>1,567</u>	
Net change in fund balance, GAAP basis			<u><u>\$ (9,645)</u></u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Debt service:				
Other services and charges	\$ 345,307	\$ 345,307	\$ 345,306	\$ 1
Total expenditures	345,307	345,307	345,306	1
Other Financing Sources (Uses):				
Transfers in	345,307	345,307	345,306	(1)
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, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 6,085	\$ 6,085	\$ -
Total revenues	-	6,085	6,085	-
Net change in fund balances	-	6,085	6,085	-
Fund balances - Beginning	1,029,665	1,029,665	1,029,665	-
Fund balances - Ending	\$ 1,029,665	\$ 1,035,750	\$ 1,035,750	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 6,085	
To adjust revenues for accruals			(6,066)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			<u>\$ 19</u>	

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

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 3	\$ 3	\$ -
Total revenues	-	3	3	-
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,027,750	1,027,750	1,027,750	-
Total expenditures	1,027,750	1,027,750	1,027,750	-
Other Financing Sources (Uses):				
Transfers in	1,036,500	1,036,500	1,036,500	-
Net change in fund balances	8,750	8,753	8,753	-
Fund balances - Beginning	690	690	690	-
Fund balances - Ending	\$ 9,440	\$ 9,443	\$ 9,443	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,753	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 8,753	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 15	\$ 16	\$ 1
Total revenues	-	15	16	1
Other Financing Sources (Uses):				
Transfers out	-	(11)	(11)	-
Net change in fund balances	-	4	5	1
Fund balances - Beginning	326,939	326,939	326,939	-
Fund balances - Ending	\$ 326,939	\$ 326,943	\$ 326,944	\$ 1
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 5	
To adjust revenues for accruals			2	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 7	

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

Debt Service Funds - Century Center Energy Conservation Debt Service

December 31, 2021

	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	1,555	1,574	19
Other	88,057	88,057	89,480	1,423
Total revenues	310,694	311,049	312,491	1,442
Expenditures:				
Current:				
Debt service:				
Other services and charges	406,711	406,711	406,711	-
Total expenditures	406,711	406,711	406,711	-
Other Financing Sources (Uses):				
Transfers in	97,217	97,217	97,217	-
Net change in fund balances	1,200	1,555	2,997	1,442
Fund balances - Beginning	193,705	193,705	193,705	-
Fund balances - Ending	\$ 194,905	\$ 195,260	\$ 196,702	\$ 1,442
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,997	
To adjust revenues for accruals			(848)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 2,149	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,500	\$ 4,500	\$ 71	\$ (4,429)
Total revenues	4,500	4,500	71	(4,429)
Expenditures:				
Current:				
Debt service:				
Other services and charges	2,858,669	2,858,669	2,856,069	2,600
Total expenditures	2,858,669	2,858,669	2,856,069	2,600
Other Financing Sources (Uses):				
Transfers in	2,866,000	2,866,000	2,866,000	-
Net change in fund balances	11,831	11,831	10,002	(1,829)
Fund balances - Beginning	232,423	232,423	232,423	-
Fund balances - Ending	\$ 244,254	\$ 244,254	\$ 242,425	\$ (1,829)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 10,002	
To adjust revenues for accruals			4	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 10,006	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - South Bend Building Corporation Debt Service
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,000	\$ 4,000	\$ 58	\$ (3,942)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>58</u>	<u>(3,942)</u>
Expenditures:				
Current:				
Debt service:				
Other services and charges	<u>2,307,705</u>	<u>2,787,665</u>	<u>2,785,015</u>	<u>2,650</u>
Total expenditures	<u>2,307,705</u>	<u>2,787,665</u>	<u>2,785,015</u>	<u>2,650</u>
Other Financing Sources (Uses):				
Debt proceeds	-	8,860,022	8,860,022	-
Transfers in	2,311,000	2,564,000	2,564,000	-
Transfers out	<u>-</u>	<u>(9,248,224)</u>	<u>(9,248,224)</u>	<u>-</u>
Net change in fund balances	7,295	(607,867)	(609,159)	(1,292)
Fund balances - Beginning	<u>833,535</u>	<u>833,535</u>	<u>833,535</u>	<u>-</u>
Fund balances - Ending	<u>\$ 840,830</u>	<u>\$ 225,668</u>	<u>\$ 224,376</u>	<u>\$ (1,292)</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (609,159)	
To adjust revenues for accruals			(41,697)	
To adjust expenditures for accruals			<u>119,683</u>	
Net change in fund balance, GAAP basis			<u>\$ (531,173)</u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,000	\$ 3,000	\$ 91	\$ (2,909)
Total revenues	3,000	3,000	91	(2,909)
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,712,819	1,712,819	1,712,469	350
Total expenditures	1,712,819	1,712,819	1,712,469	350
Other Financing Sources (Uses):				
Transfers in	1,716,500	1,716,500	1,716,000	(500)
Net change in fund balances	6,681	6,681	3,622	(3,059)
Fund balances - Beginning	1,739,076	1,739,076	1,739,076	-
Fund balances - Ending	\$ 1,745,757	\$ 1,745,757	\$ 1,742,698	\$ (3,059)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,622	
To adjust revenues for accruals			8	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 3,630	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2015 Park Bond Debt Service
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 47	\$ (1,953)
Total revenues	2,000	2,000	47	(1,953)
Expenditures:				
Current:				
Debt service:				
Other services and charges	374,382	374,382	374,381	1
Total expenditures	374,382	374,382	374,381	1
Other Financing Sources (Uses):				
Transfers in	376,007	376,007	375,986	(21)
Net change in fund balances	3,625	3,625	1,652	(1,973)
Fund balances - Beginning	586,111	586,111	586,111	-
Fund balances - Ending	\$ 589,736	\$ 589,736	\$ 587,763	\$ (1,973)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,652	
To adjust revenues for accruals			5	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 1,657	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Debt Service Funds - 2017 Eddy St. Commons Bond Debt Service
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 47	\$ (1,953)
Total revenues	2,000	2,000	47	(1,953)
Expenditures:				
Current:				
Debt service:				
Other services and charges	374,382	374,382	374,381	1
Total expenditures	374,382	374,382	374,381	1
Other Financing Sources (Uses):				
Transfers in	376,007	376,007	375,986	(21)
Net change in fund balances	3,625	3,625	1,652	(1,973)
Fund balances - Beginning	586,111	586,111	586,111	-
Fund balances - Ending	\$ 589,736	\$ 589,736	\$ 587,763	\$ (1,973)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,652	
To adjust revenues for accruals			5	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 1,657	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Fire Department Capital
 December 31, 2021

	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	1,837,850	1,837,850	1,905,360	67,510
Fines and forfeitures	-	300	300	-
Investment income	11,814	11,814	8,474	(3,340)
Other	-	-	1,334	1,334
	<u>1,924,664</u>	<u>1,924,964</u>	<u>1,915,468</u>	<u>(9,496)</u>
Total revenues				
Expenditures:				
Current:				
Public safety:				
Other services and charges	745,767	745,767	698,771	46,996
Capital outlay	2,190,702	1,376,236	1,029,049	347,187
	<u>2,936,469</u>	<u>2,122,003</u>	<u>1,727,820</u>	<u>394,183</u>
Total expenditures				
Other Financing Sources (Uses):				
Debt proceeds	-	210,000	210,000	-
Transfers out	(750,307)	(750,307)	(750,306)	1
	<u>(1,762,112)</u>	<u>(737,346)</u>	<u>(352,658)</u>	<u>384,688</u>
Net change in fund balances				
Fund balances - Beginning	<u>3,111,296</u>	<u>3,111,296</u>	<u>3,111,296</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,349,184</u>	<u>\$ 2,373,950</u>	<u>\$ 2,758,638</u>	<u>\$ 384,688</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (352,658)	
To adjust revenues for accruals			(9,334)	
To adjust expenditures for accruals			<u>99,331</u>	
Net change in fund balance, GAAP basis			<u>\$ (262,661)</u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Coveleski Stadium Capital
 December 31, 2021

	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	351	351	58	(293)
Total revenues	30,351	30,351	58	(30,293)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	30,000	29,285	10,183	19,102
Total expenditures	30,000	29,285	10,183	19,102
Net change in fund balances	351	1,066	(10,125)	(11,191)
Fund balances - Beginning	11,685	11,685	11,685	-
Fund balances - Ending	\$ 12,036	\$ 12,751	\$ 1,560	\$ (11,191)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (10,125)	
To adjust revenues for accruals			(42)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (10,167)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Cumulative Capital Development
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 411,061	\$ 469,124	\$ 469,124	\$ -
Intergovernmental	5,364	41,568	41,568	-
Investment income	1,053	928	928	-
Total revenues	417,478	511,620	511,620	-
Expenditures:				
Current:				
General government:				
Other services and charges	395,699	395,699	394,767	932
Capital outlay	1,419	1,419	-	1,419
Total expenditures	397,118	397,118	394,767	2,351
Net change in fund balances	20,360	114,502	116,853	2,351
Fund balances - Beginning	169,893	169,893	169,893	-
Fund balances - Ending	\$ 190,253	\$ 284,395	\$ 286,746	\$ 2,351
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 116,853	
To adjust revenues for accruals			(1,289)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 115,564	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Cumulative Capital Improvement
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 226,548	\$ 207,751	\$ 207,761	\$ 10
Investment income	7,058	7,058	3,682	(3,376)
Other	25,000	25,000	25,000	-
Total revenues	258,606	239,809	236,443	(3,366)
Other Financing Sources (Uses):				
Transfers out	(262,145)	(262,145)	(262,145)	-
Net change in fund balances	(3,539)	(22,336)	(25,702)	(3,366)
Fund balances - Beginning	676,798	676,798	676,798	-
Fund balances - Ending	\$ 673,259	\$ 654,462	\$ 651,096	\$ (3,366)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (25,702)	
To adjust revenues for accruals			(3,913)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ (29,615)	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 84,756	\$ 84,756	\$ -
Investment income	7,533	9,556	9,556	-
Other	493,329	493,329	493,328	(1)
Total revenues	500,862	587,641	587,640	(1)
Expenditures:				
Current:				
Highways and streets:				
Supplies	450,000	-	-	-
Other services and charges	194,163	154,925	57,027	97,898
Capital outlay	102,896	102,896	27,855	75,041
Total expenditures	747,059	257,821	84,882	172,939
Net change in fund balances	(246,197)	329,820	502,758	172,938
Fund balances - Beginning	1,386,436	1,386,436	1,386,436	-
Fund balances - Ending	\$ 1,140,239	\$ 1,716,256	\$ 1,889,194	\$ 172,938
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 502,758	
To adjust revenues for accruals			(436,432)	
To adjust expenditures for accruals			1,717	
Net change in fund balance, GAAP basis			\$ 68,043	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Morris Performing Arts Center Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 65,000	\$ 65,000	\$ 37,223	\$ (27,777)
Investment income	2,175	2,175	1,057	(1,118)
Total revenues	67,175	67,175	38,280	(28,895)
Expenditures:				
Current:				
Culture and recreation:				
Supplies	25,000	15,000	14,811	189
Other services and charges	26,625	1,715	90	1,625
Capital outlay	-	113,550	113,550	-
Total expenditures	51,625	130,265	128,451	1,814
Other Financing Sources (Uses):				
Transfers in	-	2,350,000	1,800,000	(550,000)
Net change in fund balances	15,550	2,286,910	1,709,829	(577,081)
Fund balances - Beginning	203,098	203,098	203,098	-
Fund balances - Ending	\$ 218,648	\$ 2,490,008	\$ 1,912,927	\$ (577,081)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,709,829	
To adjust revenues for accruals			(5,440)	
To adjust expenditures for accruals			(17,030)	
Net change in fund balance, GAAP basis			\$ 1,687,359	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - local income tax	\$ 8,007	\$ 3,543	\$ 3,543	\$ -
Investment income	26,301	13,014	13,014	-
Other	1,000,000	1,411,887	1,412,877	990
Total revenues	1,034,308	1,428,444	1,429,434	990
Expenditures:				
Current:				
Economic development:				
Other services and charges	163,297	828,014	538,363	289,651
Total expenditures	163,297	828,014	538,363	289,651
Other Financing Sources (Uses):				
Transfers in	150,000	150,000	-	(150,000)
Transfers out	-	(147,786)	(147,786)	-
Net change in fund balances	1,021,011	602,644	743,285	140,641
Fund balances - Beginning	2,444,710	2,444,710	2,444,710	-
Fund balances - Ending	\$ 3,465,721	\$ 3,047,354	\$ 3,187,995	\$ 140,641
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 743,285	
To adjust revenues for accruals			(16,211)	
To adjust expenditures for accruals			(86,005)	
Net change in fund balance, GAAP basis			\$ 641,069	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - West Washington
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 287,082	\$ 348,856	\$ 348,856	\$ -
Investment income	4,881	7,164	7,164	-
Total revenues	291,963	356,020	356,020	-
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	45,544	45,544	-
Capital outlay	250,822	202,738	202,738	-
Total expenditures	250,822	248,282	248,282	-
Net change in fund balances	41,141	107,738	107,738	-
Fund balances - Beginning	1,127,293	1,127,293	1,127,293	-
Fund balances - Ending	\$ 1,168,434	\$ 1,235,031	\$ 1,235,031	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 107,738	
To adjust revenues for accruals			(6,891)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 100,847	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - River East Development
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 2,560,473	\$ 4,328,968	\$ 4,328,968	\$ -
Investment income	22,737	39,992	39,992	-
Other	-	74,326	74,327	1
Total revenues	2,583,210	4,443,286	4,443,287	1
Expenditures:				
Current:				
Economic development:				
Other services and charges	111,844	68,134	68,133	1
Capital outlay	2,270,343	1,336,457	1,336,457	-
Total expenditures	2,382,187	1,404,591	1,404,590	1
Other Financing Sources (Uses):				
Transfers in	-	673,180	673,180	-
Net change in fund balances	201,023	3,711,875	3,711,877	2
Fund balances - Beginning	5,864,278	5,864,278	5,864,278	-
Fund balances - Ending	\$ 6,065,301	\$ 9,576,153	\$ 9,576,155	\$ 2
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,711,877	
To adjust revenues for accruals			(28,305)	
To adjust expenditures for accruals			141,323	
Net change in fund balance, GAAP basis			\$ 3,824,895	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - Southside Development Area No. 1
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 1,839,984	\$ 2,981,728	\$ 2,981,728	\$ -
Investment income	49,667	75,461	75,461	-
Total revenues	1,889,651	3,057,189	3,057,189	-
Expenditures:				
Current:				
Economic development:				
Other services and charges	190,446	162,661	162,661	-
Capital outlay	474,495	999,692	999,692	-
Total expenditures	664,941	1,162,353	1,162,353	-
Net change in fund balances	1,224,710	1,894,836	1,894,836	-
Fund balances - Beginning	12,586,134	12,586,134	12,586,134	-
Fund balances - Ending	\$ 13,810,844	\$ 14,480,970	\$ 14,480,970	\$ -
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 1,894,836	
To adjust revenues for accruals			(78,639)	
To adjust expenditures for accruals			50,221	
Net change in fund balance, GAAP basis			\$ 1,866,418	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - Douglas Road
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 369,525	\$ 269,923	\$ 269,923	\$ -
Investment income	296	687	687	-
Total revenues	369,821	270,610	270,610	-
Expenditures:				
Current:				
Economic development:				
Other services and charges	16,108	14,800	14,800	-
Total expenditures	16,108	14,800	14,800	-
Other Financing Sources (Uses):				
Transfers out	-	(91,370)	(91,370)	-
Net change in fund balances	353,713	164,440	164,440	-
Fund balances - Beginning	93,140	93,140	93,140	-
Fund balances - Ending	\$ 446,853	\$ 257,580	\$ 257,580	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 164,440	
To adjust revenues for accruals			(956)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 163,484	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - TIF - River East Residential
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 5,712,495	\$ 6,299,000	\$ 6,299,000	\$ -
Investment income	82,945	19,471	19,471	-
Total revenues	5,795,440	6,318,471	6,318,471	-
Expenditures:				
Current:				
Economic development:				
Other services and charges	520,126	533,476	508,178	25,298
Total expenditures	520,126	533,476	508,178	25,298
Other Financing Sources (Uses):				
Transfers out	(4,180,375)	(5,063,555)	(5,058,659)	4,896
Net change in fund balances	1,094,939	721,440	751,634	30,194
Fund balances - Beginning	4,678,334	4,678,334	4,678,334	-
Fund balances - Ending	\$ 5,773,273	\$ 5,399,774	\$ 5,429,968	\$ 30,194
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 751,634	
To adjust revenues for accruals			(29,355)	
To adjust expenditures for accruals			427,037	
Net change in fund balance, GAAP basis			\$ 1,149,316	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Certified Technology Park
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 139	\$ 65	\$ 65	\$ -
Total revenues	<u>139</u>	<u>65</u>	<u>65</u>	<u>-</u>
Net change in fund balances	139	65	65	-
Fund balances - Beginning	<u>11,080</u>	<u>11,080</u>	<u>11,080</u>	<u>-</u>
Fund balances - Ending	<u>\$ 11,219</u>	<u>\$ 11,145</u>	<u>\$ 11,145</u>	<u>\$ -</u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 65	
To adjust revenues for accruals			(65)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><u>\$ -</u></u>	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,000	\$ 12,078	\$ 12,078	\$ -
Investment income	369	493	493	-
Total revenues	8,369	12,571	12,571	-
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	35,000	35,000	-	35,000
Total expenditures	35,000	35,000	-	35,000
Net change in fund balances	(26,631)	(22,429)	12,571	35,000
Fund balances - Beginning	80,911	80,911	80,911	-
Fund balances - Ending	\$ 54,280	\$ 58,482	\$ 93,482	\$ 35,000
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 12,571	
To adjust revenues for accruals			(507)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 12,064	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Airport Urban Enterprise Zone
 December 31, 2021

	<u>Budgeted Amounts</u>		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 4,209	\$ 4,209	\$ 2,411	\$ (1,798)
Total revenues	<u>4,209</u>	<u>4,209</u>	<u>2,411</u>	<u>(1,798)</u>
Net change in fund balances	4,209	4,209	2,411	(1,798)
Fund balances - Beginning	<u>407,982</u>	<u>407,982</u>	<u>407,982</u>	<u>-</u>
Fund balances - Ending	<u>\$ 412,191</u>	<u>\$ 412,191</u>	<u>\$ 410,393</u>	<u>\$ (1,798)</u>
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 2,411	
To adjust revenues for accruals			(2,403)	
To adjust expenditures for accruals			<u>-</u>	
Net change in fund balance, GAAP basis			<u><u>\$ 8</u></u>	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2017 Park Bond Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 30,000	\$ 31,461	\$ 1,461
Total revenues	-	30,000	31,461	1,461
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	6,464	-	-	-
Capital outlay	5,453,274	1,695,211	1,695,211	-
Total expenditures	5,459,738	1,695,211	1,695,211	-
Net change in fund balances	(5,459,738)	(1,665,211)	(1,663,750)	1,461
Fund balances - Beginning	5,926,118	5,926,118	5,926,118	-
Fund balances - Ending	\$ 466,380	\$ 4,260,907	\$ 4,262,368	\$ 1,461
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,663,750)	
To adjust revenues for accruals			(30,679)	
To adjust expenditures for accruals			271,945	
Net change in fund balance, GAAP basis			\$ (1,422,484)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2018 Fire Station #9 Bond Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 1,857	\$ 1,857	\$ -
Total revenues	-	1,857	1,857	-
Net change in fund balances	-	1,857	1,857	-
Fund balances - Beginning	314,233	314,233	314,233	-
Fund balances - Ending	\$ 314,233	\$ 316,090	\$ 316,090	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1,857	
To adjust revenues for accruals			(1,851)	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 6	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2018 TIF Park Bond Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 15,033	\$ 15,033	\$ -
Total revenues	-	15,033	15,033	-
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	13,351	1	-	1
Capital outlay	2,427,608	188,982	188,982	-
Total expenditures	2,440,959	188,983	188,982	1
Net change in fund balances	(2,440,959)	(173,950)	(173,949)	1
Fund balances - Beginning	2,614,468	2,614,468	2,614,468	-
Fund balances - Ending	\$ 173,509	\$ 2,440,518	\$ 2,440,519	\$ 1
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (173,949)	
To adjust revenues for accruals			(14,912)	
To adjust expenditures for accruals			175,752	
Net change in fund balance, GAAP basis			\$ (13,109)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - 2021 Infrastructure Bond Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 21,221	\$ 21,221	\$ -
Total revenues	-	21,221	21,221	-
Expenditures:				
Current:				
Highways and streets:				
Capital outlay	-	3,785,766	3,785,766	-
Total expenditures	-	3,785,766	3,785,766	-
Other Financing Sources (Uses):				
Transfers in	-	8,601,026	8,601,026	-
Transfers out	-	(1,000,000)	(1,000,000)	-
Net change in fund balances	-	3,836,481	3,836,481	-
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ 3,836,481	\$ 3,836,481	\$ -
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 3,836,481	
To adjust revenues for accruals			(9,530)	
To adjust expenditures for accruals			(206,556)	
Net change in fund balance, GAAP basis			\$ 3,620,395	

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

December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 20	\$ 17	\$ (3)
Total revenues	-	20	17	(3)
Net change in fund balances	-	20	17	(3)
Fund balances - Beginning	347,680	347,680	347,680	-
Fund balances - Ending	\$ 347,680	\$ 347,700	\$ 347,697	\$ (3)

Budget/GAAP Reconciliation

Net change in fund balance, budget basis	\$ 17
To adjust revenues for accruals	-
To adjust expenditures for accruals	-
Net change in fund balance, GAAP basis	\$ 17

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Project Funds - 2017 Eddy St. Commons Bond Capital
 December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 1	\$ 1	\$ -
Total revenues	-	1	1	-
Expenditures:				
Current:				
Economic development:				
Capital outlay	25,681	25,681	-	25,681
Total expenditures	25,681	25,681	-	25,681
Net change in fund balances	(25,681)	(25,680)	1	25,681
Fund balances - Beginning	25,762	25,762	25,762	-
Fund balances - Ending	\$ 81	\$ 82	\$ 25,763	\$ 25,681
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 1	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
Net change in fund balance, GAAP basis			\$ 1	

NONMAJOR ENTERPRISE FUNDS

Century Center	To account for the operations of the City's convention center.
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.
Morris Performing Arts Center	To account for the operation of the Morris Performing Arts Center. Financed by ticket sales (for self-promoted events) and rent from promoters.

	Century Center	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Morris Performing Arts Center	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 194,802	\$ 867,955	\$ 375,765	\$ 374,941	\$ -	\$ -	\$ 1,813,463
Investments	-	1,228,782	529,371	529,950	-	-	2,288,103
Receivables:							
Accounts	107,941	175	-	994,726	-	-	1,102,842
Allowance for doubtful accounts	-	-	-	(25,000)	-	-	(25,000)
Interest	8	1,197	516	520	-	-	2,241
Taxes	400,000	-	-	-	-	-	400,000
Due from other funds	-	-	-	2,216	-	-	2,216
Inventory	34,404	-	-	-	-	-	34,404
Total current assets	<u>737,155</u>	<u>2,098,109</u>	<u>905,652</u>	<u>1,877,353</u>	<u>-</u>	<u>-</u>	<u>5,618,269</u>
Noncurrent assets:							
Restricted assets	987,536	8,834	-	792,077	-	5,074	1,793,521
Capital assets:							
Assets not subject to depreciation	713,434	-	1,132,020	-	-	-	1,845,454
Assets subject to depreciation	14,063,493	59,838	4,568,089	2,455,950	-	-	21,147,370
Total noncurrent assets	<u>15,764,463</u>	<u>68,672</u>	<u>5,700,109</u>	<u>3,248,027</u>	<u>-</u>	<u>5,074</u>	<u>24,786,345</u>
Total assets	<u>16,501,618</u>	<u>2,166,781</u>	<u>6,605,761</u>	<u>5,125,380</u>	<u>-</u>	<u>5,074</u>	<u>30,404,614</u>
Deferred outflows of resources							
Deferred outflows related to pensions	65,273	149,660	-	190,690	-	-	405,623
Deferred outflows related to OPEB	26,790	61,425	-	78,265	-	-	166,480
Total deferred outflows of resources	<u>92,063</u>	<u>211,085</u>	<u>-</u>	<u>268,955</u>	<u>-</u>	<u>-</u>	<u>572,103</u>
Liabilities							
Current liabilities:							
Accounts payable	51,885	859	19,616	95,481	-	11,968	179,809
Due to other funds	2,151	-	673	-	-	1,086	3,910
Performance deposits payable	-	7,000	-	-	-	-	7,000
Accrued liabilities and other:							
Accrued payroll payable	37,878	30,616	-	44,759	-	17,585	130,838
Accrued interest payable	-	175	-	7,819	-	-	7,994
Taxes payable	9,212	3,678	-	5,377	-	2,113	20,380
Other current payables	38,557	5,156	-	7,537	-	2,961	54,211
Customer deposits payable	108,952	-	-	-	-	-	108,952
Compensated absences	18,511	19,400	-	13,132	-	15,279	66,322
Capital leases	-	23,593	-	789,522	-	-	813,115
Total current liabilities	<u>267,146</u>	<u>90,477</u>	<u>20,289</u>	<u>963,627</u>	<u>-</u>	<u>50,992</u>	<u>1,392,531</u>
Noncurrent liabilities:							
Capital leases	-	4,673	-	1,186,887	-	-	1,191,560
Net pension liability	81,018	185,760	-	236,687	-	-	503,465
Total OPEB liability	139,665	320,227	-	408,020	-	-	867,912
Total noncurrent liabilities	<u>220,683</u>	<u>510,660</u>	<u>-</u>	<u>1,831,594</u>	<u>-</u>	<u>-</u>	<u>2,562,937</u>
Total liabilities	<u>487,829</u>	<u>601,137</u>	<u>20,289</u>	<u>2,795,221</u>	<u>-</u>	<u>50,992</u>	<u>3,955,468</u>
Deferred inflows of resources							
Deferred inflows related to pensions	127,282	291,835	-	371,845	-	-	790,962
Deferred inflows related to OPEB	52,064	119,374	-	152,102	-	-	323,540
Total deferred inflows of resources	<u>179,346</u>	<u>411,209</u>	<u>-</u>	<u>523,947</u>	<u>-</u>	<u>-</u>	<u>1,114,502</u>
Net position							
Net investment in capital assets	14,776,927	31,572	5,700,109	1,258,704	-	-	21,767,312
Restricted:							
Capital outlay	983,710	-	-	-	-	-	983,710
Unrestricted	165,869	1,333,948	885,363	816,463	-	(45,918)	3,155,725
Total net position	<u>\$ 15,926,506</u>	<u>\$ 1,365,520</u>	<u>\$ 6,585,472</u>	<u>\$ 2,075,167</u>	<u>\$ -</u>	<u>\$ (45,918)</u>	<u>\$ 25,906,747</u>

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

For the Year Ended December 31, 2021

	Century Center	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Morris Performing Arts Center	Total
Operating revenues							
Convention fees	\$ 1,343,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,343,366
Licenses and permits	-	1,515,351	-	-	-	-	1,515,351
Parking fees	58,114	-	951,144	-	-	-	1,009,258
Solid waste fees	-	-	-	6,092,214	-	-	6,092,214
Charges to other funds	67,477	-	-	-	-	-	67,477
Other	5,177	3,560	83	49,950	-	-	58,770
Total operating revenues	<u>1,474,134</u>	<u>1,518,911</u>	<u>951,227</u>	<u>6,142,164</u>	<u>-</u>	<u>-</u>	<u>10,086,436</u>
Operating expenses							
Personnel services	405,440	909,477	-	1,411,792	-	32,864	2,759,573
Materials and supplies	550,408	15,666	21,389	288,463	-	-	875,926
Contractual services	856,811	37,493	268,184	2,464,912	2,017	13,054	3,642,471
General and administration	977,382	339,939	334,728	1,185,129	-	-	2,837,178
Depreciation	1,036,059	42,754	342,117	747,378	-	-	2,168,308
Total operating expenses	<u>3,826,100</u>	<u>1,345,329</u>	<u>966,418</u>	<u>6,097,674</u>	<u>2,017</u>	<u>45,918</u>	<u>12,283,456</u>
Operating income (loss)	<u>(2,351,966)</u>	<u>173,582</u>	<u>(15,191)</u>	<u>44,490</u>	<u>(2,017)</u>	<u>(45,918)</u>	<u>(2,197,020)</u>
Nonoperating revenues (expenses)							
Investment income	(42)	(215)	266	(1,773)	(1,512)	-	(3,276)
Hotel/motel tax revenues	1,037,500	-	-	-	-	-	1,037,500
Interest expense	-	(1,015)	-	(36,001)	-	-	(37,016)
(Loss) gain on sale of assets	(8,989)	-	-	(23,421)	-	-	(32,410)
Total nonoperating revenues (expenses)	<u>1,028,469</u>	<u>(1,230)</u>	<u>266</u>	<u>(61,195)</u>	<u>(1,512)</u>	<u>-</u>	<u>964,798</u>
Income (loss) - Before contributions and transfers	<u>(1,323,497)</u>	<u>172,352</u>	<u>(14,925)</u>	<u>(16,705)</u>	<u>(3,529)</u>	<u>(45,918)</u>	<u>(1,232,222)</u>
Transfers in	-	-	-	1,796,371	-	-	1,796,371
Transfers out	<u>(97,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(607,079)</u>	<u>-</u>	<u>(704,296)</u>
Change in net position	<u>(1,420,714)</u>	<u>172,352</u>	<u>(14,925)</u>	<u>1,779,666</u>	<u>(610,608)</u>	<u>(45,918)</u>	<u>(140,147)</u>
Net position - Beginning of year	<u>17,347,220</u>	<u>1,193,168</u>	<u>6,600,397</u>	<u>295,501</u>	<u>610,608</u>	<u>-</u>	<u>26,046,894</u>
Net position - End of year	<u>\$ 15,926,506</u>	<u>\$ 1,365,520</u>	<u>\$ 6,585,472</u>	<u>\$ 2,075,167</u>	<u>\$ -</u>	<u>\$ (45,918)</u>	<u>\$ 25,906,747</u>

	Century Center	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Morris Performing Arts Center	Total
Cash flows from operating activities							
Receipts from customers and users	\$ 971,680	\$ 1,518,736	\$ 951,227	\$ 5,734,781	\$ -	\$ -	\$ 9,176,424
Receipts from interfund services and reimbursements	-	-	-	(2,216)	-	-	(2,216)
Payments to suppliers	(1,358,582)	(56,912)	(372,653)	(2,727,528)	-	3,988	(4,511,687)
Payments to employees	(1,191,185)	(1,058,657)	(172,990)	(1,566,866)	-	-	(3,989,698)
Internal activity - payments to other funds	(249,858)	(339,938)	(162,504)	(1,289,051)	-	1,086	(2,040,265)
Internal activity - payments from other funds	67,477	-	-	-	-	-	67,477
Net cash provided by (used in) operating activities	(1,760,468)	63,229	243,080	149,120	-	5,074	(1,299,965)
Cash flows from noncapital financing activities							
Transfers from other funds	-	-	-	1,796,371	-	-	1,796,371
Transfers to other funds	(97,217)	-	-	-	(607,079)	-	(704,296)
Hotel/motel tax	1,037,500	-	-	-	-	-	1,037,500
Repayments of loans from other funds	-	-	-	(250,000)	-	-	(250,000)
Net cash (used in) provided by noncapital financing activities	940,283	-	-	1,546,371	(607,079)	-	1,879,575
Cash flows from capital and related financing activities							
Proceeds from capital debt issued for future capital purchase	-	-	-	758,270	-	-	758,270
Purchase of capital assets	-	(49,478)	(14,249)	(354,135)	-	-	(417,862)
Principal paid on capital debt	-	(43,020)	-	(843,122)	-	-	(886,142)
Interest paid on capital debt	-	(1,316)	-	(37,977)	-	-	(39,293)
Net cash (used in) provided by capital and related financing activities	-	(93,814)	(14,249)	(476,964)	-	-	(585,027)
Cash flows from investing activities							
Interest received on investments	3	479	358	(2,203)	(1,511)	-	(2,874)
Proceeds from sale and maturities of investment securities	40,398	207,870	(73,851)	(471,153)	410,128	-	113,392
Net cash provided by (used in) investing activities	40,401	208,349	(73,493)	(473,356)	408,617	-	110,518
Net (decrease) increase in cash and cash equivalents	(779,784)	177,764	155,338	745,171	(198,462)	5,074	105,101
Cash and cash equivalents - beginning of year	1,962,122	699,024	220,427	421,847	198,462	-	3,501,882
Cash and cash equivalents - end of year	\$ 1,182,338	\$ 876,788	\$ 375,765	\$ 1,167,018	\$ -	\$ 5,074	\$ 3,606,983
Classification of cash and cash equivalents							
Cash and investments	\$ 194,802	\$ 2,096,736	\$ 905,136	\$ 904,891	\$ -	\$ -	\$ 4,101,565
Restricted cash and investments	987,536	8,834	-	792,077	-	5,074	1,793,521
Less amounts classified as investments	-	(1,228,782)	(529,371)	(529,950)	-	-	(2,288,103)
Total cash and cash equivalents	\$ 1,182,338	\$ 876,788	\$ 375,765	\$ 1,167,018	\$ -	\$ 5,074	\$ 3,606,983
Reconciliation of operating income (loss) to net cash from operating activities							
Operating income (loss)	(2,351,966)	173,582	(15,191)	44,490	(2,017)	(45,918)	(2,197,020)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	1,036,059	42,754	342,117	747,378	-	-	2,168,308
Changes in assets and liabilities:							
Receivables	(441,481)	(175)	-	(407,384)	-	-	(849,040)
Due from other funds	-	-	-	(2,216)	-	-	(2,216)
Inventory	6,017	-	-	-	-	-	6,017
Prepaid expenses and other assets	5,644	-	-	-	2,017	-	7,661
Increase (decrease) in liabilities:							
Accounts payable	17,548	(9,263)	(83,080)	18,169	-	11,968	(44,658)
Taxes payable	7,201	354	-	142	-	2,113	9,810
Due to other funds	(2,663)	-	(766)	(103,922)	-	1,086	(106,265)
Accrued payroll payable	10,948	2,686	-	769	-	17,585	31,988
Compensated absences payable	(13,731)	(35,890)	-	(39,453)	-	15,279	(73,795)
Customer deposits	6,504	-	-	-	-	-	6,504
Other current payables	12,229	5,156	-	7,537	-	2,961	27,883
Increase (decrease) in deferred outflows of resources:							
Pension items	(24,352)	(56,405)	-	(75,429)	-	-	(156,186)
OPEB items	4,623	10,163	-	10,216	-	-	25,002
Increase (decrease) in net pension liabilities	(108,214)	(245,477)	-	(296,315)	-	-	(650,006)
Increase (decrease) in OPEB liability	(13,503)	(28,824)	-	(23,402)	-	-	(65,729)
Increase (decrease) in deferred inflows of resources:							
Pension items	84,592	194,551	-	251,602	-	-	530,745
OPEB items	4,077	10,017	-	16,938	-	-	31,032
Total adjustments	591,498	(110,353)	258,271	104,630	2,017	50,992	897,055
Net cash provided by (used in) operating activities	\$ (1,760,468)	\$ 63,229	\$ 243,080	\$ 149,120	\$ -	\$ 5,074	\$ (1,299,965)
Noncash investing, capital, and financing activities							
Capital assets acquired through lease	\$ -	\$ -	\$ -	\$ 354,135	\$ -	\$ -	\$ 354,135
Capital assets disposed (at cost)	(154,786)	-	-	(196,733)	-	-	(351,519)
Work in progress completed transferred to capital assets	-	-	(287,318)	-	-	-	(287,318)
Accumulated depreciation on disposals of capital assets	145,797	-	-	173,312	-	-	319,110

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	\$ 2,517,301	\$ 4,447,413	\$ 277,100	\$ 288,022	\$ 1,445,778	\$ -	\$ 93,476	\$ 9,069,090
Investments	3,566,750	6,306,063	385,076	408,391	2,014,537	-	132,542	12,813,359
Receivables:								
Accounts	14,777	-	124,271	-	552	-	-	139,600
Interest	3,476	6,145	375	398	1,964	-	129	12,487
Inventory	-	-	942,866	-	-	-	-	942,866
Prepaid expenses	455,505	7,320	1,500	-	1,045,947	59,419	-	1,569,691
Total current assets	6,557,809	10,766,941	1,731,188	696,811	4,508,778	59,419	226,147	24,547,093
Noncurrent assets:								
Restricted assets	-	-	18,764	-	57,961	-	-	76,725
Capital assets:								
Assets subject to depreciation	-	-	981,840	-	-	-	-	981,840
Total noncurrent assets	-	-	1,000,604	-	57,961	-	-	1,058,565
Total assets	6,557,809	10,766,941	2,731,792	696,811	4,566,739	59,419	226,147	25,605,658
Deferred outflows of resources								
Deferred outflows related to pensions	-	-	341,181	-	376,915	-	-	718,096
Deferred outflows related to OPEB	-	-	140,031	-	154,697	-	-	294,728
Total deferred outflows of resources	-	-	481,212	-	531,612	-	-	1,012,824
Liabilities								
Current liabilities:								
Accounts payable	56,412	208,502	203,181	-	110,314	-	-	578,409
Due to other funds	-	-	935	-	-	-	-	935
Accrued liabilities and other:								
Accrued payroll payable	-	-	65,033	-	72,531	-	-	137,564
Accrued interest payable	-	-	78	-	23,018	-	-	23,096
Taxes payable	-	-	7,813	-	8,714	-	-	16,527
Other current payables	-	-	10,951	-	12,214	-	-	23,165
Compensated absences	-	-	27,191	-	78,526	-	-	105,717
Claims payable	3,151,622	849,384	-	-	-	-	-	4,001,006
Capital leases	-	-	8,069	-	824,907	-	-	832,976
Total current liabilities	3,208,034	1,057,886	323,251	-	1,130,224	-	-	5,719,395
Noncurrent liabilities:								
Capital leases	-	-	12,451	-	1,233,850	-	-	1,246,301
Net pension liability	-	-	423,479	-	467,832	-	-	891,311
Total OPEB liability	-	-	730,026	-	806,485	-	-	1,536,511
Total noncurrent liabilities	-	-	1,165,956	-	2,508,167	-	-	3,674,123
Total liabilities	3,208,034	1,057,886	1,489,207	-	3,638,391	-	-	9,393,518
Deferred inflows of resources								
Deferred inflows related to pensions	-	-	665,302	-	734,982	-	-	1,400,284
Deferred inflows related to OPEB	-	-	272,138	-	300,642	-	-	572,780
Total deferred inflows of resources	-	-	937,440	-	1,035,624	-	-	1,973,064
Net position								
Net investment in capital assets	-	-	961,320	-	-	-	-	961,320
Unrestricted	3,349,775	9,709,055	(174,963)	696,811	424,336	59,419	226,147	14,290,580
Total net position	\$ 3,349,775	\$ 9,709,055	\$ 786,357	\$ 696,811	\$ 424,336	\$ 59,419	\$ 226,147	\$ 15,251,900

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

For the Year Ended December 31, 2021

	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	\$ 3,265,000	\$ 15,742,095	\$ -	\$ 14,640	\$ 9,129,846	\$ 22,056	\$ 248,400	\$ 28,422,037
Charges for sales and services	-	-	7,282,655	-	47,379	-	-	7,330,034
Charges to other funds	-	-	129,585	-	-	-	-	129,585
Other	84,555	1,438,628	78,626	-	167,065	74,683	-	1,843,557
Total operating revenues	<u>3,349,555</u>	<u>17,180,723</u>	<u>7,490,866</u>	<u>14,640</u>	<u>9,344,290</u>	<u>96,739</u>	<u>248,400</u>	<u>37,725,213</u>
Operating expenses								
Personnel services	(110,230)	91,156	2,195,908	-	2,332,508	-	180,337	4,689,679
Materials and supplies	24,947	101,432	4,504,975	-	1,435,682	-	-	6,067,036
Contractual services	1,898,154	852,742	177,709	270	4,176,197	-	-	7,105,072
Insurance claims and premiums	2,419,875	15,293,763	-	-	-	62,283	-	17,775,921
General and administration	21,624	-	683,462	-	891	-	-	705,977
Depreciation	-	-	129,037	-	-	-	-	129,037
Total operating expenses	<u>4,254,370</u>	<u>16,339,093</u>	<u>7,691,091</u>	<u>270</u>	<u>7,945,278</u>	<u>62,283</u>	<u>180,337</u>	<u>36,472,722</u>
Operating income (loss)	<u>(904,815)</u>	<u>841,630</u>	<u>(200,225)</u>	<u>14,370</u>	<u>1,399,012</u>	<u>34,456</u>	<u>68,063</u>	<u>1,252,491</u>
Nonoperating revenues (expenses)								
Investment income	1,133	1,596	483	(9)	(1,169)	(39)	28	2,023
Interest expense	-	-	(583)	-	(64,238)	-	-	(64,821)
(Loss) gain on sale of assets	-	-	(15,081)	-	-	-	-	(15,081)
Total nonoperating revenues (expenses)	<u>1,133</u>	<u>1,596</u>	<u>(15,181)</u>	<u>(9)</u>	<u>(65,407)</u>	<u>(39)</u>	<u>28</u>	<u>(77,879)</u>
Income (loss) - Before contributions and transfers	<u>(903,682)</u>	<u>843,226</u>	<u>(215,406)</u>	<u>14,361</u>	<u>1,333,605</u>	<u>34,417</u>	<u>68,091</u>	<u>1,174,612</u>
Transfers in	-	-	-	-	-	6,667	-	6,667
Transfers out	-	(6,667)	-	-	-	-	-	(6,667)
Change in net position	<u>(903,682)</u>	<u>836,559</u>	<u>(215,406)</u>	<u>14,361</u>	<u>1,333,605</u>	<u>41,084</u>	<u>68,091</u>	<u>1,174,612</u>
Net position - Beginning 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>
Net position - End of year	<u>\$ 3,349,775</u>	<u>\$ 9,709,055</u>	<u>\$ 786,357</u>	<u>\$ 696,811</u>	<u>\$ 424,336</u>	<u>\$ 59,419</u>	<u>\$ 226,147</u>	<u>\$ 15,251,900</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	\$ 69,778	\$ 1,440,303	\$ 446,339	\$ 14,640	\$ 214,217	\$ 74,683	\$ -	\$ 2,259,960
Receipts from interfund services and reimbursements	3,265,000	15,742,095	7,121,157	-	9,129,846	22,056	248,401	35,528,555
Payments to suppliers	(3,203,821)	(16,595,167)	(4,842,080)	(1,955)	(5,939,984)	(135,333)	-	(30,718,340)
Payments to employees	-	-	(2,530,403)	-	(2,612,832)	-	(180,338)	(5,323,573)
Internal activity - payments to other funds	(21,624)	-	(684,156)	-	(891)	-	-	(706,671)
Net cash provided by (used in) operating activities	109,333	587,231	(489,143)	12,685	790,356	(38,594)	68,063	1,039,931
Cash flows from noncapital financing activities								
Transfers from other funds	-	-	-	-	-	6,667	-	6,667
Transfers to other funds	-	(6,667)	-	-	-	-	-	(6,667)
Proceeds from capital lease used for noncapital expenses	-	-	-	-	1,646,762	-	-	1,646,762
Principal paid on noncapital debt	-	-	-	-	(1,006,757)	-	-	(1,006,757)
Interest paid on noncapital debt	-	-	-	-	(50,358)	-	-	(50,358)
Net cash (used in) provided by noncapital financing activities	-	(6,667)	-	-	589,647	6,667	-	589,647
Cash flows from capital and related financing activities								
Proceeds from sales of capital assets	-	-	1,472	-	-	-	-	1,472
Purchase of capital assets	-	-	(68,349)	-	-	-	-	(68,349)
Principal paid on capital debt	-	-	(10,371)	-	-	-	-	(10,371)
Interest paid on capital debt	-	-	(625)	-	-	-	-	(625)
Net cash (used in) provided by capital and related financing activities	-	-	(77,873)	-	-	-	-	(77,873)
Cash flows from investing activities								
Interest received on investments	3,023	4,587	1,221	207	(1,218)	(11)	41	7,850
Proceeds from sale and maturities of investment securities	457,587	546,357	449,262	52,233	(578,806)	21,523	(26,124)	922,012
Net cash provided by (used in) investing activities	460,590	550,944	450,483	52,440	(580,024)	21,512	(26,083)	929,882
Net (decrease) increase in cash and cash equivalents	569,923	1,131,508	(116,533)	65,125	799,979	(10,415)	41,980	2,481,567
Cash and cash equivalents - beginning of year	1,947,378	3,315,905	412,397	222,897	703,760	10,415	51,496	6,664,248
Cash and cash equivalents - end of year	\$ 2,517,301	\$ 4,447,413	\$ 295,864	\$ 288,022	\$ 1,503,739	\$ -	\$ 93,476	\$ 9,145,815
Classification of cash and cash equivalents								
Cash and investments	\$ 6,084,051	\$ 10,753,476	\$ 662,176	\$ 696,413	\$ 3,460,315	\$ -	\$ 226,018	\$ 21,882,449
Restricted cash and investments	-	-	18,764	-	57,961	-	-	76,725
Less amounts classified as investments	(3,566,750)	(6,306,063)	(385,076)	(408,391)	(2,014,537)	-	(132,542)	(12,813,359)
Total cash and cash equivalents	\$ 2,517,301	\$ 4,447,413	\$ 295,864	\$ 288,022	\$ 1,503,739	\$ -	\$ 93,476	\$ 9,145,815
Reconciliation of operating income (loss) to net cash from operating activities								
Operating income (loss)	(904,815)	841,630	(200,225)	14,370	1,399,012	34,456	68,063	1,252,491
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	-	-	129,037	-	-	-	-	129,037
Changes in assets and liabilities:								
Receivables	(14,777)	1,674	(27,291)	-	(228)	-	-	(40,622)
Due from other funds	-	-	103,922	-	-	-	-	103,922
Inventory	-	-	(94,160)	-	-	-	-	(94,160)
Prepaid expenses and other assets	(132,171)	(7,320)	-	-	(211,889)	(59,419)	-	(410,799)
Accounts payable	(30,792)	(122,774)	(75,643)	(1,685)	(128,138)	(13,631)	-	(372,663)
Taxes payable	-	-	(546)	-	(292)	-	-	(838)
Due to other funds	-	-	(694)	-	-	-	-	(694)
Accrued payroll payable	-	-	(5,202)	-	(3,137)	-	-	(8,339)
Compensated absences payable	-	-	(90,634)	-	(85,137)	-	-	(175,771)
Other current payables	-	-	10,951	-	12,214	-	-	23,165
Estimate of unfiled claims	1,314,925	(125,979)	-	-	-	-	-	1,188,946
Increase (decrease) in deferred outflows of resources:								
Pension items	13,957	-	(131,507)	-	(153,403)	-	-	(270,953)
OPEB items	10,714	-	20,927	-	16,884	-	-	48,525
Increase (decrease) in net pension liabilities	(64,541)	-	(546,120)	-	(565,756)	-	-	(1,176,417)
Increase (decrease) in OPEB liability	(52,240)	-	(54,784)	-	(30,119)	-	-	(137,143)
Increase (decrease) in deferred inflows of resources:								
Pension items	(14,560)	-	446,566	-	501,810	-	-	933,816
OPEB items	(16,367)	-	26,260	-	38,535	-	-	48,428
Total adjustments	1,014,148	(254,399)	(288,918)	(1,685)	(608,656)	(73,050)	-	(212,560)
Net cash provided by (used in) operating activities	\$ 109,333	\$ 587,231	\$ (489,143)	\$ 12,685	\$ 790,356	\$ (38,594)	\$ 68,063	\$ 1,039,931
Noncash investing, capital, and financing activities								
Capital assets disposed (at cost)	\$ -	\$ -	\$ (34,169)	\$ -	\$ (30,652)	\$ -	\$ -	\$ (64,822)
Capital assets transferred from/to another und (cost)	-	-	(10,800)	-	-	-	-	(10,800)
Accumulated depreciation on disposals of capital assets	-	-	17,616	-	30,652	-	-	48,268
Accumulated depreciation on transfers of capital assets	-	-	10,800	-	-	-	-	10,800

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, 2021

	Pension Trust Funds			Custodial Fund
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Police Distribution Payable
Assets				
Cash and cash equivalents	\$ 231,277	\$ 173,247	\$ 404,524	\$ 1,641,403
Investments:				
U.S. Treasuries	46,242	34,639	80,881	-
U.S. Government Agency Securities	281,086	210,558	491,644	-
Tax-Exempt Municipal Bonds	604	453	1,057	-
Receivables - Interest	320	239	559	-
Total assets	<u>559,529</u>	<u>419,136</u>	<u>978,665</u>	<u>1,641,403</u>
Liabilities				
Accounts payable	-	2	2	-
Police distribution payable	-	-	-	1,641,403
Total liabilities	<u>-</u>	<u>2</u>	<u>2</u>	<u>1,641,403</u>
Net position restricted for pensions	<u>\$ 559,529</u>	<u>\$ 419,134</u>	<u>\$ 978,663</u>	

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Year Ended December 31, 2021

	Pension Trust Funds			Custodial Fund
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Police Distribution Payable
Additions				
Investment income (loss) - Interest and dividends	\$ (1,010)	\$ (773)	\$ (1,783)	\$ -
Police asset seizures	-	-	-	863,627
Contributions:				
On behalf	5,950,693	4,101,278	10,051,971	-
Other	4,119	-	4,119	-
Net contributions	5,954,812	4,101,278	10,056,090	-
Total additions	5,953,802	4,100,505	10,054,307	863,627
Deductions				
Benefit payments	5,936,871	4,121,440	10,058,311	-
Police distributions and distributions payable	-	-	-	863,627
Administrative expenses	13,821	14,960	28,781	-
Total deductions	5,950,692	4,136,400	10,087,092	863,627
Net increase (decrease) in net position held in trust	3,110	(35,895)	(32,785)	-
Net position - Beginning of year	556,419	455,029	1,011,448	-
Net position - End of year	\$ 559,529	\$ 419,134	\$ 978,663	\$ -

Other Supplemental Information
 Schedule of Changes in Assets and Liabilities
 Custodial Funds
 December 31, 2021

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021
Police Distribution Payable				
Assets - Cash and investments	\$ 894,848	\$ 863,627	\$ (117,072)	\$ 1,641,403
Liabilities - Police distribution payable	\$ 894,848	\$ 863,627	\$ (117,072)	\$ 1,641,403

Statistical Section

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,									
	2012	2013	2014 (1)	2015 (1)	2016	2017	2018	2019 (2)	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 133,711,581
Restricted	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	30,180,859
Unrestricted	<u>71,992,457</u>	<u>86,413,227</u>	<u>(18,581,970)</u>	<u>(25,882,348)</u>	<u>(7,327,797)</u>	<u>(16,751,916)</u>	<u>3,673,134</u>	<u>10,845,011</u>	<u>31,481,927</u>	<u>51,283,016</u>
Total net position	<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>	<u>\$ 215,175,456</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 165,916,250
Restricted	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	42,713,237
Unrestricted	<u>26,957,505</u>	<u>7,906,258</u>	<u>22,426,017</u>	<u>24,415,739</u>	<u>25,357,665</u>	<u>28,103,338</u>	<u>30,785,421</u>	<u>19,018,588</u>	<u>12,248,916</u>	<u>20,263,612</u>
Total net position	<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>	<u>\$ 228,893,099</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 299,627,831
Restricted	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	72,894,096
Unrestricted	<u>98,949,962</u>	<u>94,319,485</u>	<u>3,844,047</u>	<u>(1,466,609)</u>	<u>18,029,868</u>	<u>11,351,422</u>	<u>34,458,555</u>	<u>29,863,599</u>	<u>43,730,843</u>	<u>71,546,628</u>
Total net position	<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>	<u>\$ 444,068,555</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ (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)	\$ (13,099,391)
Public safety	(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)	(66,584,412)
Highways and streets	(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)	(29,402,967)
Community and economic development	(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)	(18,151,702)
Culture and recreation	(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)	(20,298,172)
Interest on long-term debt	(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)	(5,517,287)
Total governmental activities expenses	<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>	<u>(153,053,931)</u>
Business-type activities:										
Water utility	(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)	(14,387,728)
Wastewater utility	(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)	(29,248,157)
Century center	(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)	(3,826,100)
Consolidated building (1)	(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)	(1,346,344)
Parking garage	(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)	(966,418)
Solid waste	(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)	(6,133,675)
Blackthorn golf course	(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)	(2,017)
Morris performing arts center	-	-	-	-	-	-	-	-	-	(45,918)
Total business-type activities expenses	<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>	<u>(55,956,357)</u>
Total primary government expenses	<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>	<u>(209,010,288)</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,100,103	\$ 1,939,865	\$ 1,451,438	\$ 1,188,531	\$ 1,622,788	\$ 1,118,328	\$ 718,155	\$ 452,796	\$ 635,786	\$ 619,851
Public safety	5,079,182	5,210,272	4,992,228	529,386	975,712	648,136	702,977	521,835	5,940,878	6,322,288
Highways and streets	291,840	451,363	728,343	676,429	707,547	976,095	-	244,790	690,372	416,847
Community and economic development	271,366	444,839	485,938	408,654	481,293	1,489,942	698,252	199,405	1,391,715	1,973,800
Culture and recreation	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	3,791,726
Operating grants and contributions	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	20,180,108
Capital grants and contributions	2,468,120	1,867,213	-	-	-	1,000,000	4,100,000	3,605,801	949,034	3,742,319
Total governmental activities program revenues	<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>	<u>37,046,939</u>
Business-type activities:										
Charges for services:										
Water utility	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	21,486,628
Wastewater utility	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	41,517,462
Century center	2,680,076	3,463,813	2,227,171	4,202,564	4,796,676	3,055,793	3,268,026	3,268,026	1,047,253	1,465,145
Consolidated building	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	1,518,911
Parking garage	921,044	968,868	1,017,218	968,417	996,197	1,264,706	1,323,524	1,004,401	885,672	951,227
Solid waste	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	6,118,743
Blackthorn golf course	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	2,010,253	697,916	95,834	4,683,424	649,609	1,170,970	-	1,710,762	2,142,194	743,450
Total business-type activities program revenues	<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>	<u>73,801,566</u>
Total primary government program revenues	<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>	<u>110,848,505</u>
Net (expenses)/revenues										
Governmental activities	(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)	(116,006,992)
Business-type activities	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	17,845,209
Total primary government net (expenses)/revenues	<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>	<u>(98,161,783)</u>

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 87,866,397
Income taxes	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	35,736,715
Hotel/motel taxes	-	-	-	492,000	396,000	394,000	616,437	630,000	602,937	604,437
Community revitalization district taxes	653,185	244,623	-	-	-	-	-	-	-	-
State-shared revenue	4,525,714	6,543,920	29,061,942	25,623,373	26,124,184	17,113,289	4,819,125	13,050,283	12,242,415	13,357,839
Unrestricted investment income (loss)	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	(52,191)
Other miscellaneous income	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	19,002,228
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	80,339	104,819
Transfers	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	2,837,246
Total governmental activities	<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>	<u>159,457,490</u>
Business-type activities:										
Unrestricted Investment earnings	285,572	138,362	128,168	358,918	570,982	578,773	1,088,896	1,784,206	639,006	4,084
Hotel/motel taxes (3)	-	-	1,313,450	-	-	1,275,000	1,275,000	1,275,000	956,250	1,037,500
Other	-	-	188,214	-	-	3,588	-	-	(28,470)	-
Gain (loss) on sale of capital assets	-	-	-	-	(1,143,391)	-	-	-	-	-
Transfers	(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)	(2,837,246)
Total business-type activities	<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>	<u>(1,795,662)</u>
Total primary government	<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>	<u>157,661,828</u>
Special items (Governmental activities):										
Well field contamination settlement	-	-	-	-	-	-	-	-	-	-
Disposal of operations	-	-	-	(1,180,964)	-	-	-	-	-	-
Change in net position										
Governmental activities	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	43,450,498
Business-type activities	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	16,049,547
Total primary government	<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>	<u>\$ 59,500,045</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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	958,341	656,848	558,304	491,665	494,730	447,003	425,680	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	165,389	516,506	-	466,088	1,380,036	1,242,770	820,914	820,834	-	-
Unassigned	<u>27,671,353</u>	<u>26,495,559</u>	<u>27,029,101</u>	<u>29,664,303</u>	<u>32,077,856</u>	<u>33,776,487</u>	<u>37,383,206</u>	<u>42,478,766</u>	<u>51,026,016</u>	<u>63,401,631</u>
Total general fund	<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>	<u>63,401,631</u>
All other governmental funds:										
Nonspendable	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	10,903,713
Restricted	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	125,396,563
Committed	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	8,053,213
Assigned	35,180,652	35,455,190	35,147,874	32,138,059	31,998,790	32,769,201	38,707,987	42,474,803	47,008,958	42,663,195
Unassigned	<u>(4,219,066)</u>	<u>(4,852,169)</u>	<u>(5,700,829)</u>	<u>(4,218,596)</u>	<u>(2,301,793)</u>	<u>(626,846)</u>	-	<u>(57,852)</u>	-	<u>(26,633)</u>
Total all other governmental funds	<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>173,813,998</u>	<u>186,990,051</u>
Total of all governmental funds	<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>\$ 224,840,014</u>	<u>\$ 250,391,682</u>

Source: City of South Bend Annual Comprehensive Financial Reports

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

	For the Year Ended December 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 124,207,549
Licenses, fees and permits	189,714	177,019	141,565	151,923	224,677	231,260	245,956	284,048	311,100	303,837
Intergovernmental	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	36,241,803
Charges for services	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	13,165,015
Fines and forfeitures	334,767	660,841	563,999	454,327	756,781	562,466	494,836	1,124,570	647,214	613,971
Investment income (loss)	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	(52,191)
Other revenues	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	18,963,129
Total revenues	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	193,443,113
Expenditures										
Current:										
General government	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	14,088,456
Public safety	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	80,411,282
Highways and streets	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	15,999,114
Community and economic development	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	12,791,198
Culture and recreation	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	16,644,748
Capital outlay	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	19,643,464
Debt service:										
Principal	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	16,121,723
Interest on long-term debt	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	5,873,228
Bond issuance costs	-	-	-	372,432	-	-	165,885	293,022	301,761	258,996
Total expenditures	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	181,832,209
Excess of revenues (under) over expenditures	(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)	11,610,904
Other financing sources (uses)										
Issuance of debt	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	10,543,000
Premium on debt	1,236,364	21,576	171,851	1,919,787	-	6,478	479,608	1,462,841	120,059	1,250,022
Proceeds from refunding	13,595,000	3,990,000	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)	-	-	-	-	-	-
Transfers in	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	42,663,275
Transfers out	(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)	(39,826,029)
Other	-	-	28,476	1,235,744	541,081	(412,028)	942,616	67,236	167,423	131,330
Total other financing sources (uses)	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	14,761,598
Net change in fund balances	\$ (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	\$ 26,372,502
<i>Excludes prior period adjustments</i>										
Debt service as a percentage of noncapital expenditures (1)	11.67%	14.07%	12.77%	12.21%	11.27%	14.60%	11.00%	10.89%	13.72%	13.14%

(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		
2012	40	3,201,888	-	-	n/a	2,735,212	5,816,998	
2013	37	3,730,018	-	-	n/a	2,854,527	5,937,100	2.06%
2014	39	2,548,101	-	-	n/a	2,911,596	6,584,545	10.91%
2015	40	2,454,129	1	25,077	n/a	3,089,732	5,459,697	-17.08%
2016	39	2,607,360	1	25,077	n/a	3,262,413	5,568,938	2.00%
2017	35	2,853,276	-	-	n/a	3,451,457	5,894,850	5.85%
2018	36	3,179,336	-	-	n/a	3,719,934	6,304,733	6.95%
2019	45	4,789,990	-	-	n/a	4,137,490	8,927,480	41.60%
2020	34	3,336,459	-	-	n/a	5,047,305	8,383,764	-6.09%
2021	34	3,133,766	-	-	n/a	5,628,842	8,762,608	4.52%

Banks			Credit Unions		
1st Source Bank	\$ 2,042,899	65.20%	Teacher's Credit Union	\$ 4,059,306	72.12%
Lake City Bank	198,310	6.33%	Notre Dame Federal Credit Union	815,055	14.48%
Jpmorgan Chase Bank, National Assoc.	192,658	6.15%	Community Wide Credit Union	560,833	9.96%
Fifth Third Bank, National Association	169,759	5.42%	AAA Federal Credit Union	66,911	1.19%
Keybank National Association	143,860	4.59%	Policemen's Federal Credit Union	65,828	1.17%
PNC Bank, National Association	112,059	3.58%	South Bend Firefighters' Credit Union	40,209	0.71%
Others	274,221	8.73%	Others	20,700	0.37%
Total	\$ 3,133,766	100.00%	Total	\$ 5,628,842	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
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%	11,343,797	22.02%
2018/2019	88,747,340	35,874,959	52,872,381	55,470,558	62.50%	104.91%	10,648,543	20.14%
2019/2020	91,764,231	39,908,278	51,855,953	51,748,694	56.39%	99.79%	9,286,878	17.91%
2020/2021	94,929,278	41,202,439	53,726,839	55,516,953	58.48%	103.33%	8,765,528	16.31%

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/dlgef/county-specific-information/st-joseph/>)
- (2) St. Joseph County Circuit Breaker Report (<https://www.in.gov/dlgef/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
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
2020/2021	2.6562	0.6249	0.0387	0.0285	3.3483	0.6741	1.4505	0.0149	0.3177	0.1558	2.6130	5.9613

(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/dlgf/county-specific-information/st-joseph/>)

Detail of Net Assessed Valuation
Assessment For the Year 2020 Payable in 2021

	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	\$ 141,259,800	\$ 30,167,200	\$ 89,740,400	\$ 17,913,300	\$ 988,300	\$ 471,979,900	\$ 752,048,900	
Value of improvements	578,754,600	132,935,300	505,692,400	111,059,000	22,399,000	3,290,921,940	4,641,762,240	
Total value of real estate	<u>720,014,400</u>	<u>163,102,500</u>	<u>595,432,800</u>	<u>128,972,300</u>	<u>23,387,300</u>	<u>3,762,901,840</u>	<u>5,393,811,140</u>	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(275,900,436)	(39,121,927)	(107,429,270)	(37,726,768)	-	(1,157,422,285)	(1,617,600,686)	
Investment deductions	-	-	-	-	-	(1,791,473)	(1,791,473)	
Tax-exempt property	(48,923,130)	(9,642,772)	(28,766,081)	(13,158,700)	-	(370,003,752)	(470,494,435)	
Tax increment financing (1)	(71,468,889)	(8,852,376)	(271,719,045)	-	(23,387,300)	(599,853,426)	(975,281,036)	
Tax abatements	(2,981,771)	-	(46,310,444)	(2,064,920)	-	(42,001,667)	(93,358,802)	
Net value of real estate	<u>320,740,174</u>	<u>105,485,425</u>	<u>141,207,960</u>	<u>76,021,912</u>	<u>-</u>	<u>1,591,829,237</u>	<u>2,235,284,708</u>	77.43%
Gross personal property assessments	37,154,420	8,865,330	208,679,930	4,255,290	11,583,460	374,757,770	645,296,200	
Less: Investment deductions	(195,060)	-	(6,214,510)	-	-	(23,479,629)	(29,889,199)	
Tax-exempt property	(1,910,400)	(130,530)	(1,711,481)	(2,705,210)	-	(90,865,307)	(97,322,928)	
Net value of personal property	<u>35,048,960</u>	<u>8,734,800</u>	<u>200,753,939</u>	<u>1,550,080</u>	<u>11,583,460</u>	<u>260,412,834</u>	<u>518,084,073</u>	17.95%
Net value of utilities	<u>20,388,070</u>	<u>8,297,150</u>	<u>28,885,800</u>	<u>1,188,830</u>	<u>118,640</u>	<u>74,602,550</u>	<u>133,481,040</u>	4.62%
Total net assessed valuation	<u>\$ 376,177,204</u>	<u>\$ 122,517,375</u>	<u>\$ 370,847,699</u>	<u>\$ 78,760,822</u>	<u>\$ 11,702,100</u>	<u>\$ 1,926,844,621</u>	<u>\$ 2,886,849,821</u>	100.00%
Percentage of Total	13.03%	4.24%	12.85%	2.73%	0.41%	66.75%	100.00%	
Summary:	Real Property	Personal Property/Utilities	Total	Percent				
Total value	\$ 5,393,811,140	\$ 778,777,240	\$ 6,172,588,380	100.00%				
Exemptions & deductions	(1,619,392,159)	(29,889,199)	(1,649,281,358)	-26.72%				
Tax exempt property	(470,494,435)	(97,322,928)	(567,817,363)	-9.20%				
Tax increment financing (1)	(975,281,036)	-	(975,281,036)	-15.80%				
Tax abatements	(93,358,802)	-	(93,358,802)	-1.51%				
Total net assessed valuation	<u>\$ 2,235,284,708</u>	<u>\$ 651,565,113</u>	<u>\$ 2,886,849,821</u>	46.77%				
Percentage of Total	77.43%	22.57%	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:	Total Net	(2)	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value	Non-Taxed Property (1)	Taxable Value	City Tax Rate	
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%
2020/2021	5,393,811,140	645,296,200	133,481,040	6,172,588,380	(3,285,738,559)	2,886,849,821	3.3483	46.77%

(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
2011/2012	\$ 1,858,836,588	\$ 426,872,370	\$ 95,165,650	\$ 2,380,874,608	
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%
2020/2021	2,235,284,708	518,084,073	133,481,040	2,886,849,821	4.18%

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
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
2020/2021	6,172,588,380	(1,649,281,358)	(567,817,363)	(975,281,036)	(93,358,802)	2,886,849,821

(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	2017/2018	2018/2019	2019/2020	2020/2021
Homestead Standard Deduction	\$ 842,461,563	\$ 852,193,020	\$ 904,481,400	\$ 932,918,401
Supplemental Standard Deduction	435,967,478	480,027,204	560,654,768	603,002,529
Mortgage Deduction	40,183,948	39,031,742	38,098,290	37,448,388
Age 65 and Over Deduction	23,373,704	22,474,117	22,391,995	23,772,326
Veteran's Deduction	12,815,878	13,046,591	13,847,494	14,026,257
Blind & Disabled	5,567,847	5,353,196	5,982,136	5,939,885
Energy Systems Deduction	421,500	472,100	474,200	468,400
Heritage Barn Deduction	23,900	24,500	24,500	24,500
Fertilizer/Pesticide Deduction	-	-	-	-
Investment Deduction	66,876,392	42,548,913	34,299,833	31,680,672
Total	\$ 1,427,692,210	\$ 1,455,171,383	\$ 1,580,254,616	\$ 1,649,281,358

Source: St. Joseph County Auditor's Office

Property Tax Collections - Cash Basis

Last Ten Fiscal Years

Fund Name	Fund Number	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
General Fund	101	\$ 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	\$ 43,659,873
Excess Levy	103	-	-	3,648	-	-	-	-	-	-	-
Parks & Recreation	201	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	10,271,000
Park Bond (2017 Parks Bond Debt Service)	312	-	-	-	-	-	-	703,118	1,166,972	1,087,915	1,116,956
College Football Hall of Fame Debt Service	313	1,133,205	1,268,179	497,768	906,263	1,361,512	820,071	426,604	-	-	-
River West TIF District (1)	324	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	18,120,969
Cumulative Capital Development	406	517,710	463,331	430,786	428,727	440,887	436,823	436,677	455,002	433,812	469,124
South Bend Central Development Area TIF (1)	420	3,671,478	2,590,808	4,309,727	-	-	-	-	-	-	-
West Washington Street TIF District	422	422,715	493,608	580,987	402,911	453,503	378,994	332,220	261,830	237,261	348,856
Central Medical Service Area TIF District (1)	426	1,606,915	1,221,676	851,211	-	-	-	-	-	-	-
River East (Northeast) TIF District	429	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	4,328,968
Southside Development Area TIF District	430	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	2,981,728
Erskine Village TIF District	432	-	1,311,129	9,175	19,183	-	-	-	-	-	-
Douglas Road TIF District	435	285,713	323,939	321,895	270,758	345,262	379,255	-	-	-	269,923
River East (Northeast) Residential TIF	436	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	6,299,000
Airport Urban Enterprise	454	111,721	-	-	-	-	-	-	-	-	-
Total		\$ 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	\$ 87,866,397

(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

Selected Benchmark Local Governments:

Local Unit	Total Credits (1)	2020 Population (2)	Per Capita Credits
South Bend Civil City	\$ 46,461,530	103,453	\$ 449
Anderson Civil City	13,594,300	54,788	248
East Chicago Civil City	6,887,640	26,370	261
Elkhart Civil City	11,312,160	53,923	210
Evansville Civil City	18,434,000	117,298	157
Fort Wayne Civil City	21,885,180	263,886	83
Gary Civil City	50,656,950	69,093	733
Goshen Civil City	2,693,600	34,517	78
Hammond Civil City	15,790,900	77,879	203
Jeffersonville Civil City	5,174,900	49,447	105
Kokomo Civil City	14,279,820	59,604	240
Lafayette Civil City	3,004,250	70,783	42
LaPorte Civil City	3,626,810	22,471	161
Mishawka Civil City	8,393,550	51,063	164
Muncie Civil City	20,480,980	65,194	314
Noblesville Civil City	6,242,540	69,604	90
St. Joseph County	13,451,690	272,912	49
South Bend School Corporation	14,107,380	103,453	136
Terre Haute Civil City	15,527,630	58,389	266

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:

(1) Department of Local Governmental Finance 2021 Estimated Property Tax Cap Impact Report (<https://www.in.gov/dlgef/county-specific-information/>)

(2) U.S. Census Bureau, 2020 Census information (<http://factfinder.census.gov/>).

Principal Property Taxpayers - Current and Nine Years Ago

December 31, 2021

Taxpayer	Type of Business	2020/pay 2021 Net Assessed Value (1)	Rank	Percent of Total	2011/pay 2012 Net Assessed Value (2)	Rank	Percent of Total
University of Notre Dame	Higher education	\$ 89,106,101	1	3.09%	\$ -		0.00%
Indiana Michigan Power Company	Electric utility	81,752,870	2	2.83%	39,134,140	4	1.64%
Steel Warehouse Co., Inc./ Lock Joint Tube LLC	Steel processing	44,500,900	3	1.54%	-		0.00%
Edward Rose of Indiana	Apartments & real estate	36,626,530	4	1.27%	39,426,100	3	1.66%
Federal-Mogul Powertrain Systems	Manufacturing	35,992,510	5	1.25%	22,906,280	7	0.96%
Honeywell International, Inc/ Bendix Corp.	Manufacturing	35,556,580	6	1.23%	39,884,910	2	1.68%
Indiana Bell Telephone Co, Inc./ AT&T Services, Inc.	Telecommunications utility	28,517,880	7	0.99%	19,117,270	10	0.80%
JVE Investments LLC/ The Tire Rack, Inc.	Tire sales	24,851,820	8	0.86%	-		0.00%
Eddy Property Development, Inc./ South Bend Clinic LLP	Healthcare clinic	23,953,990	9	0.83%	-		0.00%
Comcast Broadband Security LLC	Internet service provider	18,547,480	10	0.64%	19,253,810	9	0.81%
Memorial Health Systems, Inc. (Beacon)	Healthcare	-		0.00%	86,784,850	1	3.65%
KSK Scottsdale Mall	Retail stores	-		0.00%	33,871,100	5	1.42%
Park Jefferson Realty, LLC	Real estate	-		0.00%	23,801,100	6	1.00%
Walmart	Retail stores	-		0.00%	20,318,320	8	0.85%
Total Net Assessed Value - Ten Largest Taxpayers		\$ 419,406,661		14.53%	\$ 344,497,880		14.47%
Total Net Assessed Value (3)		\$ 2,886,849,821		100.00%	\$ 2,380,874,608		100.00%

Sources:

(1) Baker Tilly Municipal Advisors - Annual Information for Continuing Disclosure Compliance

(2) 2012 Comprehensive Annual Financial Report

(3) St. Joseph County Auditor

Local Income Tax Revenue
Economic Development Component

Last Ten Years

Distribution Year		Economic Development 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
2012	(2)	0.40%	\$ 17,649,256		\$ 8,324,626		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	(3)	0.40%	26,745,547	2.28%	10,720,959	2.76%	40.09%	11,885,489
2019	(4)	0.40%	28,586,914	6.88%	11,597,226	8.17%	40.57%	12,474,651
2020	(5)	0.40%	28,744,062	0.55%	12,123,599	4.54%	42.18%	13,405,714
2021	(6)	0.40%	30,245,517	5.22%	12,597,307	3.91%	41.65%	13,006,489
Total			\$ 247,610,426		\$ 101,397,562		40.95%	\$ 105,874,973

(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 Economic Development tax rate for 2010 and subsequent years was increased by City of South Bend Common Council and the Saint Joseph County Common Council.

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

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

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

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

(6) The City's 2021 Economic Development distribution included \$409,182 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance Local Income Tax Distribution Reports
City of South Bend Accounting Records (Local Income Tax-Economic Development Fund #408)

Local Income Tax Revenue
Certified Shares Component

Last Ten Years

Distribution Year	Certified Shares 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
2012	(2)	\$ 22,536,457		\$ 7,507,631		33.31%	\$ 8,404,117
2013		22,923,958	1.72%	7,846,939	4.52%	34.23%	7,711,609
2014		25,275,541	10.26%	8,645,811	10.18%	34.21%	8,483,839
2015		26,435,155	4.59%	8,859,912	2.48%	33.52%	8,754,940
2016		27,898,910	5.54%	9,454,023	6.71%	33.89%	9,275,956
2017		31,321,416	12.27%	10,459,265	10.63%	33.39%	10,267,404
2018	(3)	31,947,819	2.00%	12,188,922	16.54%	38.15%	12,213,073
2019	(4)	35,539,674	11.24%	12,148,294	-0.33%	34.18%	12,879,847
2020	(5)	35,901,334	1.02%	12,440,774	2.41%	34.65%	13,764,809
2021	(6)	37,776,651	5.22%	12,912,855	3.79%	34.18%	13,334,937
Total		\$ 297,556,915		\$ 102,464,426		34.44%	\$ 105,090,531

(1) This tax was first enacted as of July 1, 1997 at the rate of 0.2% of City residents' adjusted gross income. The Certified Shares 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) The City's 2012 Certified Shares distribution included \$896,487, the amount the State of Indiana underpaid the City in 2011.

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

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

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

(6) The City's 2021 Certified Shares distribution included \$422,082 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance Local Income Tax Distribution Reports
City of South Bend Accounting Records (Local Income Tax-Certified Shares Fund #404)

Local Income Tax Revenue
Public Safety Component

Last Ten Years

Distribution Year		Public Safety 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
2012	(2)	0.25%	\$ 10,644,975		\$ 6,056,334		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	(3)	0.25%	15,986,699	2.00%	8,487,336	13.66%	53.09%	8,487,336
2019	(4)	0.25%	17,784,064	11.24%	8,560,555	0.86%	48.14%	9,205,130
2020	(5)	0.25%	17,965,039	1.02%	8,766,330	2.40%	48.80%	9,703,297
2021	(6)	0.25%	18,903,448	5.22%	9,094,317	3.74%	48.11%	9,391,746
Total			\$ 150,864,248		\$ 73,962,225		49.03%	\$ 76,390,493

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

(3) The City's 2018 Public Safety distribution included \$105,782 of supplemental, one-time distributions.

(4) The City's 2019 Public Safety distribution included \$644,575 of supplemental, one-time distributions.

(5) The City's 2020 Public Safety distribution included \$936,967 of supplemental, one-time distributions.

(6) The City's 2021 Public Safety distribution included \$297,429 of supplemental, one-time distributions.

Sources:

State of Indiana Department of Local Government Finance Local Income Tax Distribution Reports
City of South Bend Accounting Records (Local Income Tax-Public Safety Fund #249)

Total Local Income Tax Certified Shares Distributions by Taxing Unit

Last Ten Years

Unit of Government	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total County Certified Distribution	\$ 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	\$ 45,398,521
Less: Homestead Credit (1)	(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)	(7,621,870)
Total Distributive Shares	<u>\$ 19,907,430</u>	<u>\$ 22,536,457</u>	<u>\$ 22,923,956</u>	<u>\$ 26,435,155</u>	<u>\$ 27,898,910</u>	<u>\$ 31,321,416</u>	<u>\$ 31,947,819</u>	<u>\$ 35,539,674</u>	<u>\$ 35,901,334</u>	<u>\$ 37,776,651</u>
Distributive Shares /										
Total County Distribution	72.94%	75.38%	76.67%	80.20%	81.65%	83.21%	83.21%	83.21%	83.21%	83.21%
Amount										
St. Joseph County	\$ 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	\$ 12,941,856
Townships	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	2,443,619
City of South Bend - Civil City	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	12,912,855
City of South Bend - Redevelopmer	184,790	135,330	161,972	104,972	178,067	191,981	124,929	70,356	8,775	1,099
Other Cities & Towns	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	5,229,085
Libraries	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	3,006,149
Special Districts	651,749	675,474	741,455	770,148	803,837	897,520	885,964	1,054,424	1,087,195	1,241,988
Total	<u>\$ 19,907,430</u>	<u>\$ 22,536,457</u>	<u>\$ 22,923,956</u>	<u>\$ 26,435,155</u>	<u>\$ 27,898,910</u>	<u>\$ 31,321,416</u>	<u>\$ 31,947,819</u>	<u>\$ 36,889,934</u>	<u>\$ 35,901,334</u>	<u>\$ 37,776,651</u>
Percentage of Distribution										
St. Joseph County	35.44%	36.91%	40.63%	36.36%	35.78%	34.83%	35.34%	33.48%	34.20%	34.26%
Townships	5.52%	4.16%	4.67%	5.83%	6.08%	7.65%	6.19%	9.51%	6.06%	6.47%
City of South Bend - Civil City	33.33%	33.64%	37.01%	33.12%	33.25%	32.78%	33.75%	32.93%	34.65%	34.18%
City of South Bend - Redevelopmer	0.82%	0.59%	0.71%	0.40%	0.64%	0.61%	0.39%	0.19%	0.02%	0.00%
Other Cities & Towns	13.65%	13.68%	14.74%	13.27%	13.20%	13.15%	13.51%	13.20%	13.88%	13.84%
Libraries	8.34%	8.07%	9.27%	8.11%	8.17%	8.11%	8.04%	7.83%	8.15%	7.96%
Special Districts	2.90%	2.95%	3.23%	2.91%	2.88%	2.87%	2.77%	2.86%	3.03%	3.29%
Total	100.00%	100.00%	110.26%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Source: State of Indiana Department of Local Government Finance Local Income Tax Distribution Reports

Ten Largest Water Customers

December 31, 2021

Customer Name	2021 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	\$ 252,954	1.15%	90,914
Memorial Hospital of South Bend	224,308	1.02%	86,034
Irish Hills Apartments	145,599	0.66%	75,815
Indiana University South Bend	129,457	0.59%	55,766
Housing Authority of South Bend	182,807	0.83%	51,763
Honeywell Aerospace Company	104,889	0.48%	41,181
Indian Springs Apartments and Townhomes	81,071	0.37%	37,481
Holy Cross Care Services	47,596	0.22%	35,153
McCormick & Company	75,077	0.34%	33,818
Aramark Uniform Services	48,148	0.22%	25,384
Total of Ten Largest Water Customers	\$ 1,291,906	5.89%	
Total for Operating Revenue for Water Works	\$ 21,922,021	100.00%	

* Hundreds of Cubic Feet

Source: City of South Bend Water Utility

Ten Largest Sewage Works Customers

December 31, 2021

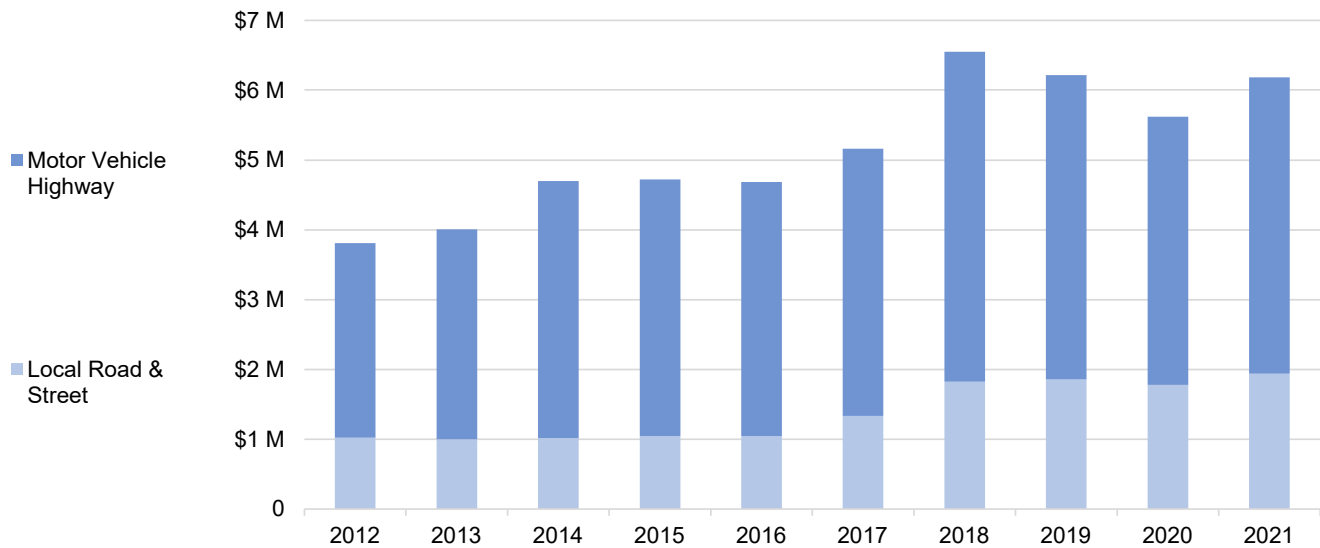
Customer Name	Metered Revenue	Heavy Demand Surcharge	2021 Revenue	Percentage of Total Wastewater Revenue	Usage CCF*
Cleveland-Cliffs Tek Inc	\$ 2,303,856	\$ -	\$ 2,303,856	5.97%	655,531
Notre Dame - Facilities Building	1,846,347	-	1,846,347	4.78%	351,929
South Bend Ethanol	3,554,729	1,032,795	4,587,524	11.88%	240,566
Five Star Sheets	90,410	-	90,410	0.23%	123,979
Memorial Hospital	436,914	-	436,914	1.13%	68,834
South Bend Community Schools	382,225	-	382,225	0.99%	54,721
Irish Hills Apartments	251,451	-	251,451	0.65%	50,435
Aramark	235,938	38,023	273,961	0.71%	36,592
Housing Authority	215,483	-	215,483	0.56%	35,495
Honeywell	212,841	103	212,944	0.55%	30,097
Total of Ten Largest Sewer Customers	\$ 9,530,194	\$ 1,070,921	\$ 10,601,115	27.46%	
Total Operating Revenue for Wastewater			\$ 38,610,800		

*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
2012	\$ 1,022,508	\$ 2,786,592	\$ 3,809,100	
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	1,781,618	3,838,489	5,620,107	-9.51%
2021	1,939,498	4,242,239	6,181,737	9.99%

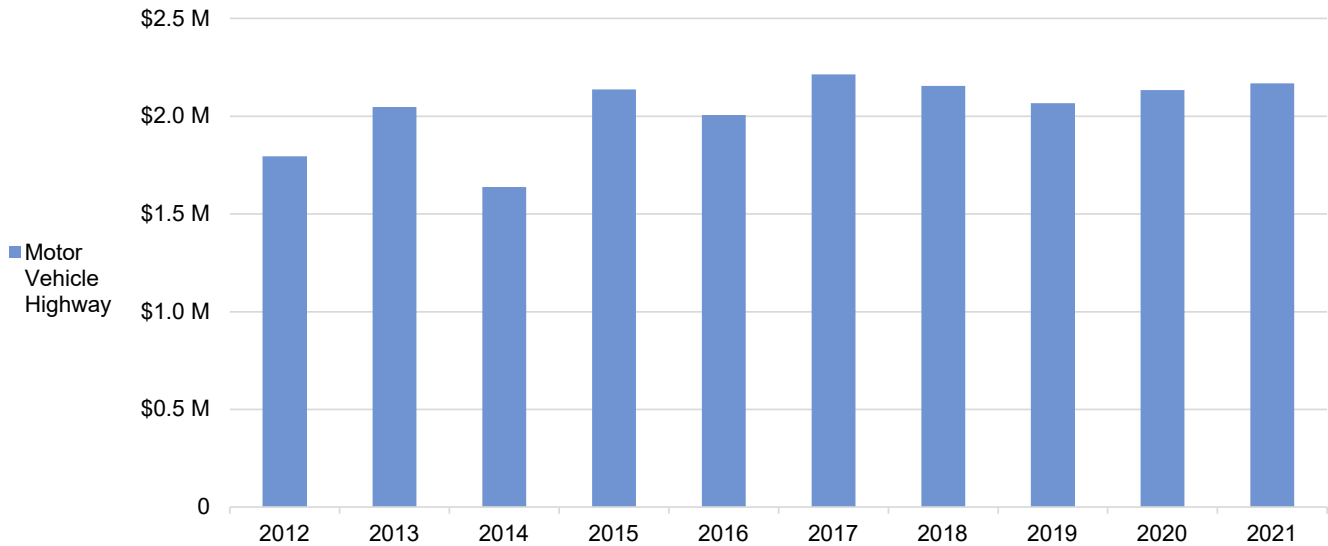
Distributions of gas tax revenue are made monthly by the Indiana Department of Revenue to the Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) funds for use in construction and maintenance of streets and highways. Distributions are based on a complex formula developed by the State of Indiana. 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
2012	\$ 1,795,538	
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%
2021	2,166,019	1.60%

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

Hotel/Motel Tax Revenue - Cash Basis

Last Ten Fiscal Years

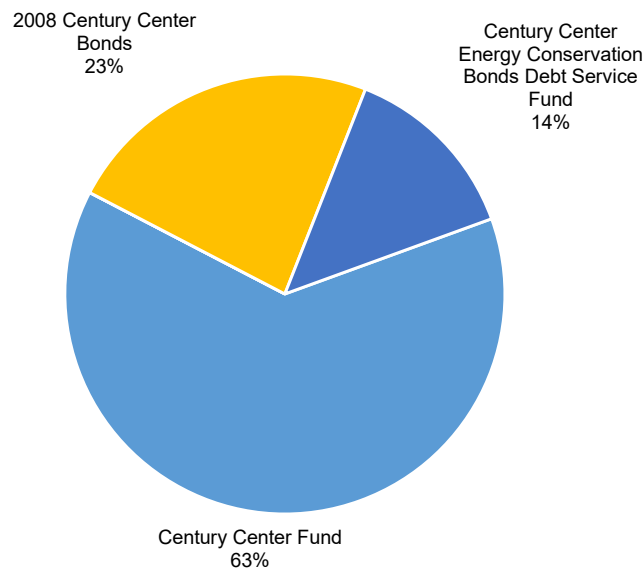
Year	-----Paid to City of South Bend-----					Subtotal: Paid to City of South Bend	---Direct Payments---		Total Hotel/ Motel Tax	Percent Change
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Century Center Energy Conserv. Debt Service		Other Century Center Projects			
2012	\$ 1,313,436	\$ 489,152	\$ 150,000	\$ 398,000	\$ -	\$ 2,350,588	\$ -	\$ 2,350,588		
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%	
2021	1,037,500	-	-	383,000	221,437	1,641,937	538,692	2,180,629	-21.56%	

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

The hotel/motel tax was enacted in 1973. A tax rate of 6% had been in effect since 1994. In July 2021, the rate was increased to 8%, with 1% going towards developing a youth sports complex in Mishawaka, 0.5% going towards the repayment of bonds issued in 2022 to fund capital improvement projects at Potawatomi Zoo, and 0.5% going towards the repayment of bonds issued in 2022 to fund capital improvements to the Morris Performing Arts Center. The tax is accounted for in a fund of the St. Joseph County government and is administered by the 11 member St. 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 St. Joseph County Commissioners.

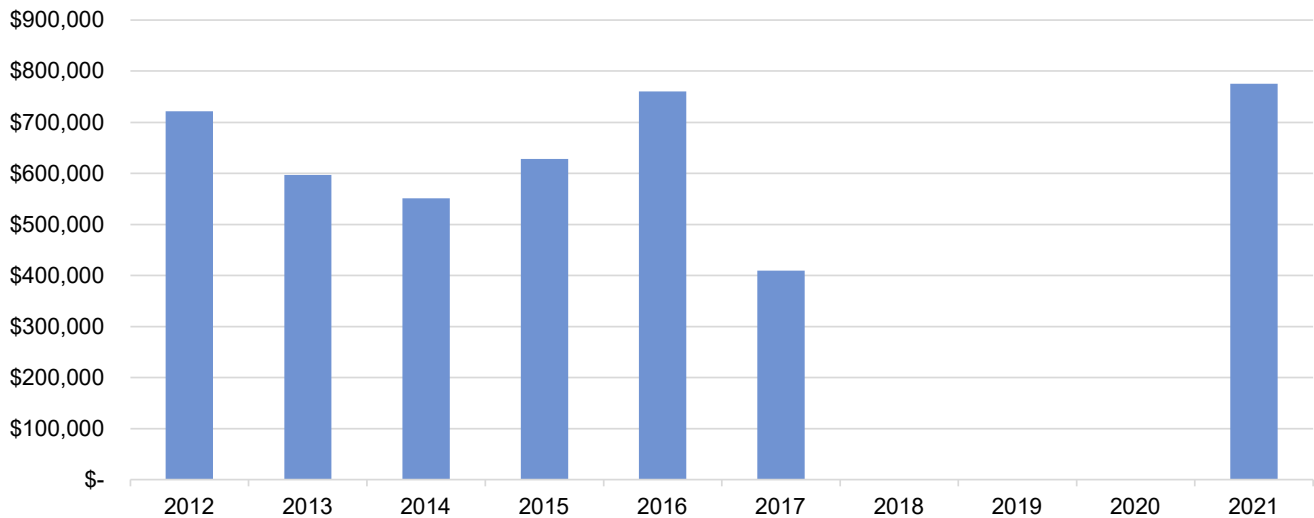
Proceeds from the hotel/motel tax fund are budgeted and distributed annually to important economic development and tourism projects in the County. South Bend receives distributions for the operations, maintenance, and debt service of Century Center (convention center). Distributions to the Cumulative 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 \$3,861,626 during 2021. The cash balance in the County Hotel/Motel Tax Fund was \$4,707,376 at December 31, 2021.



Professional Sports Convention Development Area (PSCDA) Tax - Cash Basis

Last Ten Fiscal Years



Year	Total PSCDA Tax	% Change
2012	\$ 721,763	
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	-	-100.00%
2019	-	0.00%
2020	-	0.00%
2021	775,414	100.00%

The Professional Sports Convention Development Area (PSCDA) tax is a combination of Indiana state income tax withholding, local income tax withholding, and sales tax withholding from businesses and employees in the designated area. The PSCDA tax revenue shall be used for capital improvements or financing of capital improvements for any facility that is owned by the City and is used as one of the following: a professional sports franchise for practice or competitive sporting events, a facility used principally for convention or tourism related events, a museum, a facility used for public attractions of national significance, a performing arts venue (IC 36-7-31.38-8 (a)(2)). There are currently four professional sports development areas in the State--South Bend, Indianapolis/Marion County, Evansville, and Ft. Wayne.

The PSCDA taxes are collected by the Indiana Department of Revenue and are remitted on a monthly basis to St. Joseph County which remits the taxes to the City of South Bend.

The PSCDA was originally established in 1997 to fund debt service and improvements at the College Football Hall of Fame. The City received PSCDA tax revenue for the original area from January 1998 through December 2017. The original PSCDA included the College Football Hall of Fame, Century Center, Four Winds Field at Stanley Coveleski Stadium, Morris Performing Arts Center, Palais Royale Ballroom, and the Studebaker National Museum.

In 2021, the PSCDA was reinstated in downtown South Bend. The revised PSCDA expanded the tax area, adding the Aloft Hotel, the Courtyard by Marriott South Bend, Downtown, the Doubletree Hotel, Howard Park including its Community Center and the Howard Park Public House, and the campus of Indiana University South Bend. The maximum amount of covered taxes that may be captured in the PSCDA is \$2 million per year per IC 36-7-31.8-10(e). The allocation provisions shall expire July 1, 2041.

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
2012	\$ 691,586	\$ 192,621	\$ 854,535	
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%
2021	670,761	105,016	775,777	-16.95%

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, 2021

Civil City

Net Assessed Valuation (2020 pay 2021) of Taxable Property in South Bend	\$ 2,886,849,821
Debt limit: 2% of one third thereof	19,245,665
Less Bonds subject to limitation:	
Economic Development Income Tax Bonds of 2015 (Parks Bond)	(4,310,000)
Economic Development Income Tax Bonds, Series 2018 (Zoo Bond)	(3,000,000)
General Obligation Bonds, Series 2018 (Fire Station #9)	<u>(4,400,000)</u>
Issuance Margin	<u>\$ 7,535,665</u>
Percentage of Debt to Debt Limit	60.84%

Park District

Net Assessed Valuation (2020 pay 2021) of Taxable Property in South Bend	\$ 2,886,849,821
Debt limit: 2% of one third thereof	19,245,665
Less Bonds subject to limitation:	
Park District Bonds, Series 2017 (A-K)	<u>(11,345,000)</u>
Issuance Margin	<u>\$ 7,900,665</u>
Percentage of Debt to Debt Limit	58.95%

Redevelopment District

Net Assessed Valuation (2020 pay 2021) of Taxable Property in South Bend	\$ 2,886,849,821
Debt limit: 2% of one third thereof	19,245,665
Less Bonds subject to limitation:	
Redevelopment District Bonds, Series 2018 (TIF Parks Bond)	<u>(9,570,000)</u>
Issuance Margin	<u>\$ 9,675,665</u>
Percentage of Debt to Debt Limit	49.73%

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 Economic Development Income Tax 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.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Civil City										
Debt Limit (1)	\$ 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	\$ 19,245,665
Total Net Debt Applicable To Limit	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	11,710,000
Debt Margin	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	7,535,665
Percentage of Debt Limit	49.04%	40.66%	33.74%	48.25%	38.44%	32.22%	83.50%	77.45%	67.75%	60.84%
Park District										
Debt Limit (1)	\$ 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	\$ 19,245,665
Total Net Debt Applicable To Limit	-	-	-	-	-	14,075,000	13,725,000	12,955,000	12,170,000	11,345,000
Debt Margin	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	7,900,665
Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	87.37%	85.59%	77.78%	66.95%	58.95%
Redevelopment District										
Debt Limit (1)	\$ 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	\$ 19,245,665
Total Net Debt Applicable To Limit	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	9,570,000
Debt Margin	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	9,675,665
Percentage of Debt Limit	26.19%	21.86%	20.43%	17.35%	14.56%	11.14%	80.79%	71.18%	59.00%	49.73%

(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.

Last Ten Fiscal Years

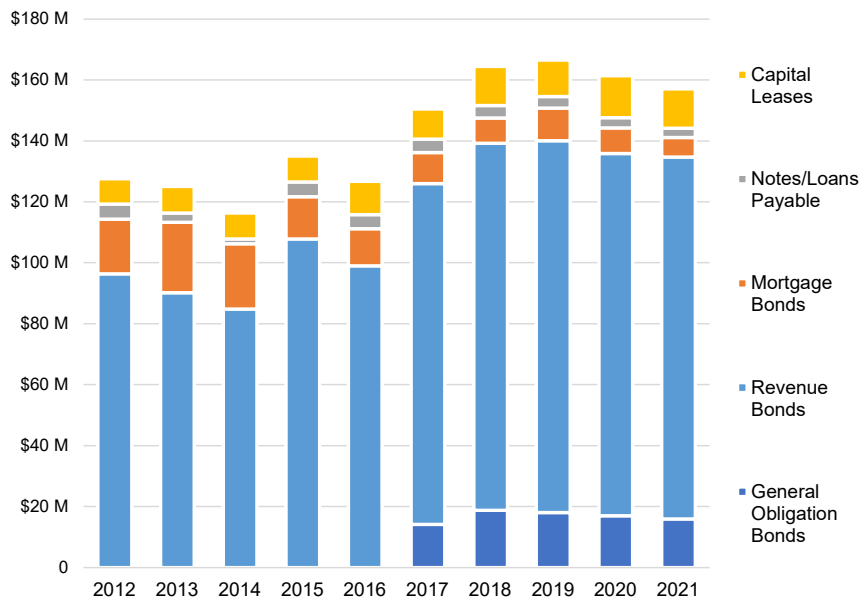
Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population (1)	Debt Per Capita	South Bend Estimated Personal Income (2)	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
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	103,453	2,229	3,571,507,919	6.46%
2021	15,950,563	118,765,880	6,345,096	3,079,026	12,889,298	58,574,841	-	220,712	2,394,205	218,219,621	103,453	2,109	3,571,507,919	6.11%
Percent of total debt	7.31%	54.42%	2.91%	1.41%	5.91%	26.84%	0.00%	0.10%	1.10%	100.00%				

Sources: City of South Bend Comprehensive Annual Financial Reports

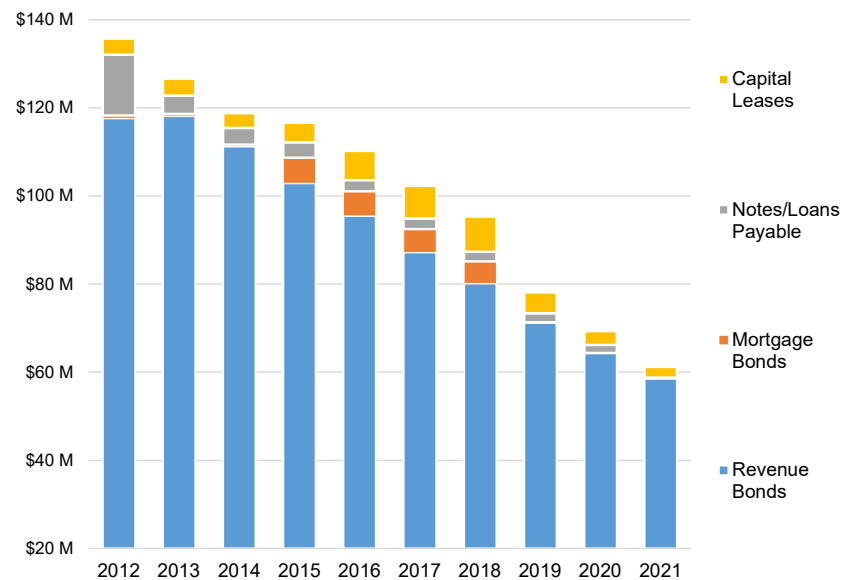
(1) U.S. Census Bureau, 2010 & 2020 Census information

(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, 2021

	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	\$ 15,950,563	100.00%	\$ 15,950,563			
Revenue Bonds - Governmental Activities	118,765,880	100.00%	118,765,880			
Mortgage Bonds - Governmental Activities	6,345,096	100.00%	6,345,096			
Notes Payable - Governmental Activities	3,079,026	100.00%	3,079,026			
Capital Leases - Governmental Activities	12,889,298	100.00%	<u>12,889,298</u>			
Total Direct Debt and Lease Obligation Debt			<u>157,029,864</u>	<u>\$ 1,518</u>	5.44%	3.56%
Overlapping Debt (2)						
Tax Supported Debt:						
St. Joseph County	\$ 46,795,443	28.97%	\$ 13,556,640			
South Bend Community School Corporation	81,048,506	53.39%	43,271,797			
Penn-Harris-Madison School Corporation	56,759,410	2.55%	1,447,365			
Mishawaka-Penn-Harris Public Library	4,775,000	2.09%	99,798			
St. Joseph County Public Library	17,270,000	50.00%	8,635,000			
St. Joseph County Airport Authority	7,180,000	28.97%	<u>2,080,046</u>			
Total Tax Supported Debt			<u>69,090,646</u>			
Total Overlapping Debt			<u>\$ 69,090,646</u>	<u>\$ 668</u>	2.39%	1.57%
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 226,120,509</u>	<u>\$ 2,186</u>	7.83%	5.12%

Ratio Factors

Net Assessed Valuation (2020 payable 2021)	\$ 2,886,849,821
Population - 2020 Census (3)	103,453
South Bend Median Household Income 2020 (4)	\$ 42,657
Estimated South Bend Total Personal Income (3 x 4)	\$ 4,412,994,621

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, 2020 Census information
- (4) U.S. Census Bureau, 2016-2020 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

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
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%
2021	1,030,000	504,496	1,534,496	181,832,209	0.84%

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
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	103,453	2,726,534,082	17,005,155	-	17,005,155	0.62%	164
2020/2021	103,453	2,886,849,821	15,950,563	-	15,950,563	0.55%	154

(1) U.S. Census Bureau, 2010 & 2020 Census information

Source: City of South Bend Comprehensive Annual Financial Reports

St. Joseph County Hotel/Motel Tax Board
Pledged Revenue Coverage

Last Ten Fiscal Years

Year	Unrestricted Hotel/Motel Tax Revenues	Annual Debt Service Payments (1)		Total Annual Debt Service	Excess Funds	Debt Coverage
		2013 Century Center Refunding Bonds	2015 Century Center Energy Conservation Bonds			
2012	\$ 3,630,006	\$ -	\$ -	\$ -	\$ 3,630,006	n/a
2013	3,852,302	-	-	-	3,852,302	n/a
2014	4,179,467	344,308	-	344,308	3,835,159	1213.87%
2015	4,749,836	392,688	-	392,688	4,357,149	1209.57%
2016	4,930,183	387,613	236,132	623,744	4,306,439	790.42%
2017	5,239,133	385,813	191,297	577,109	4,662,024	907.82%
2018	5,679,728	386,713	305,736	692,449	4,987,279	820.24%
2019	5,766,555	390,413	415,423	805,836	4,960,719	715.60%
2020	3,454,156	388,556	411,096	799,653	2,654,503	431.96%
2021	5,818,371	390,713	406,711	797,423	5,020,948	729.65%

(1) Debt service includes principal and interest payments

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		Net Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage
	Revenues (1)	Expenses (2)		Principal (3)	Interest	Total	
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	2,800,735	925,031	3,725,767	197.74%
2020	21,536,290	13,194,357	8,341,933	1,058,099	442,037	1,500,136	556.08%
2021	21,475,588	14,060,542	7,415,046	1,390,548	424,213	1,814,761	408.60%

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

(2) Operating expenses exclude depreciation.

(3) Bonds were refunded in 2019. The principal repayment is not included in the principal total for 2019.

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 (3)	Interest	Total	
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	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%
2021	41,492,806	27,594,387	13,898,419	5,440,004	1,625,439	7,065,443	196.71%

(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 2021. The principal repayments are not included in the principal total for these years.

Sources:

City of South Bend Comprehensive Annual Financial Reports

City of South Bend Accounting Records

Annual Wastewater Flow Data	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capacity (MGD) *	48	48	48	48	48	48	48	48	48	48
Average Daily Flow (MGD)	31.77	30.69	32.00	30.20	43.87	35.80	38.47	37.73	31.87	29.20
Peak Flow (MGD)	63.70	62.50	68.50	57.70	67.80	62.40	71.00	71.20	71.70	55.70
Annual Flow (MG)	11,596	11,203	11,677	11,023	16,014	13,067	14,042	13,077	11,630	10,657

Number of Customers - South Bend Municipal Sewage Works

Year	Total Number of Customers
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
2021	41,645

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, 2021

South Bend Municipal Water Utility

Water Works State Revolving Fund (SRF) Loan of 2009	\$	220,712
Water Works Refunding Revenue Bonds of 2012, Series B		425,000
Water Works Revenue Bonds of 2012		5,080,000
Water Works Refunding Revenue Bonds of 2016		1,500,000
Amended Water Works Revenue Bonds of 2009, Series B		<u>2,814,257</u>
Total Water Utility Debt		<u>10,039,969</u>

South Bend Municipal Wastewater Utility

Sewage Works Revenue Bonds of 2012	\$	15,390,000
Sewage Works Refunding Revenue Bonds of 2013A		2,110,000
Sewage Works Refunding Revenue Bonds of 2015		11,720,000
Sewage Works Refunding Revenue Bonds of 2020		4,290,000
Sewage Works Refunding Revenue Bonds of 2021		<u>12,335,000</u>
Total Sewage Utility Debt		<u>45,845,000</u>

Total Utility Debt	\$	<u><u>55,884,969</u></u>
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Source: City of South Bend Accounting Records

Estimated Debt Service Coverage Calculation
Water Utility

December 31, 2021

Operating Revenues	\$	21,475,588
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(14,060,542)</u>
Net Revenues Available for Debt Service		7,415,046
Estimated Combined Maximum Annual Debt Service		<u>1,814,761</u>
Coverage - \$	\$	<u>5,600,285</u>
Coverage - %		408.60%

Estimated Debt Service Coverage Calculation
Wastewater Utility

December 31, 2021

Operating Revenues	\$	41,492,806
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(27,594,387)</u>
Net Revenues Available for Debt Service		13,898,419
Estimated Combined Annual Debt Service		<u>7,065,443</u>
Coverage - \$	\$	<u>6,832,976</u>
Coverage - %		196.71%

Projected Local Income Tax Revenues
 Certified Shares Component

**0.6% Certified Shares Tax Rate
 Levy is used to Distribute**

Year of Collection	St. Joseph County Projected Distribution	City of South Bend's Estimated Portion of Projected Distribution	Projected Amount Available For Debt Service
2022	\$ 26,153,469	34.16%	\$ 8,933,585
2023	26,676,538	34.16%	9,112,706
2024	27,210,069	34.16%	9,294,960
2025	27,754,271	34.16%	9,480,859
2026	28,309,356	34.16%	9,670,476
2027	28,875,543	34.16%	9,863,886
2028	29,453,054	34.16%	10,061,163
2029	30,042,115	34.16%	10,262,386
2030	30,642,957	34.16%	10,467,634
2031	31,255,816	34.16%	10,676,987
		Total	\$ 97,824,641

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

Source: Department of Local Government Finance (DLGF)

Projected Local Income Tax Revenues Economic Development Component

**0.4% Economic Development Tax Rate
Levy is used to Distribute**

Year of Collection	St. Joseph County Projected Distribution	City of South Bend's Estimated Portion of Projected Distribution	Projected Amount Available For Debt Service
2022	\$ 29,091,734	41.47%	\$ 12,065,405
2023	29,673,569	41.47%	12,305,629
2024	30,267,040	41.47%	12,551,742
2025	30,872,381	41.47%	12,802,776
2026	31,489,828	41.47%	13,058,832
2027	32,119,625	41.47%	13,320,009
2028	32,762,018	41.47%	13,586,409
2029	33,417,258	41.47%	13,858,137
2030	34,085,603	41.47%	14,135,300
2031	34,767,315	41.47%	14,418,006
Total			\$ 132,102,243

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

Source: Department of Local Government Finance (DLGF)

Projected Local Income Tax Revenues
Public Safety Component

0.25% Public Safety Tax Rate

Year of Collection	St. Joseph County Projected Distribution	City of South Bend's Estimated Portion of Projected Distribution	Projected Amount Available For Debt Service
2022	\$ 18,182,334	47.88%	\$ 8,705,099
2023	18,545,981	47.88%	8,879,816
2024	18,916,900	47.88%	9,057,412
2025	19,295,238	47.88%	9,238,560
2026	19,681,143	47.88%	9,423,331
2027	20,074,766	47.88%	9,611,798
2028	20,476,261	47.88%	9,804,034
2029	20,885,786	47.88%	10,000,115
2030	21,303,502	47.88%	10,200,117
2031	21,729,572	47.88%	10,404,119
		Total	\$ 95,324,400

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
Local Income Tax - Certified Shares Component

Year	City of South Bend Projected Certified Shares Local Income Tax Revenues	Total Debt Payments	Estimated Excess Funds	Estimated Coverage
2022	\$ 8,933,585	\$ -	\$ 8,933,585	n/a
2023	9,112,706	-	9,112,706	n/a
2024	9,294,960	-	9,294,960	n/a
2025	9,480,859	-	9,480,859	n/a
2026	9,670,476	-	9,670,476	n/a
2027	9,863,886	-	9,863,886	n/a
2028	10,061,163	-	10,061,163	n/a
2029	10,262,386	-	10,262,386	n/a
2030	10,467,634	-	10,467,634	n/a
2031	10,676,987	-	10,676,987	n/a
2032	10,890,527	-	10,890,527	n/a
2033	11,108,337	-	11,108,337	n/a
2034	11,330,504	-	11,330,504	n/a
2035	11,557,114	-	11,557,114	n/a
2036	11,788,256	-	11,788,256	n/a
2037	12,024,021	-	12,024,021	n/a
2038	12,264,502	-	12,264,502	n/a
Total	\$ 178,787,902	\$ -	\$ 178,787,902	

Source: City of South Bend Accounting Records

Statement of Estimated Cash Flow and Debt Service Coverage
Local Income Tax - Economic Development Component

Year	City of South Bend Projected Economic Develop. Local Income Tax Revenues	2015 EDIT Revenue Bonds (Park Projects)	2018 EDIT Revenue Bonds (Potawatomi Zoo Project)	South Bend Building Corporation 2021 Lease Rental Revenue Bonds (Infrastructure Projects)	Total Debt Payments (1)	Estimated Excess Funds	Estimated Coverage
2022	\$ 12,065,405	\$ 372,556	\$ 332,100	\$ 605,700	\$ 1,310,356	\$ 10,755,049	920.77%
2023	12,305,629	375,581	334,500	646,200	1,356,281	10,949,348	907.31%
2024	12,551,742	368,381	326,500	640,300	1,335,181	11,216,560	940.08%
2025	12,802,776	381,031	318,000	643,900	1,342,931	11,459,845	953.35%
2026	13,058,832	373,231	327,750	646,700	1,347,681	11,711,151	968.99%
2027	13,320,009	375,356	321,750	643,700	1,340,806	11,979,202	993.43%
2028	13,586,409	377,181	325,375	640,200	1,342,756	12,243,652	1011.83%
2029	13,858,137	383,616	318,250	641,000	1,342,866	12,515,271	1031.98%
2030	14,135,300	384,038	320,750	641,000	1,345,788	12,789,512	1050.34%
2031	14,418,006	388,463	322,625	640,200	1,351,288	13,066,718	1066.98%
2032	14,706,366	387,175	318,750	639,975	1,345,900	13,360,466	1092.68%
2033	15,000,493	389,813	324,250	643,175	1,357,238	13,643,256	1105.22%
2034	15,300,503	391,781	158,875	645,775	1,196,431	14,104,072	1278.85%
2035	15,606,513	593,094	-	647,775	1,240,869	14,365,644	1257.71%
2036	15,918,643	-	-	644,175	644,175	15,274,468	2471.17%
2037	16,237,016	-	-	-	-	16,237,016	n/a
2038	16,561,756	-	-	-	-	16,561,756	n/a
Total	\$ 241,433,533	\$ 5,541,297	\$ 4,049,475	\$ 9,609,775	\$ 19,200,547	\$ 222,232,986	

(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)						Increase/ (Decrease)
2012	101,168		\$ 40,873		\$ 11,948		\$ 37,505		33.3	18,982	
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	101,168	0.00%	32,511	-9.08%	15,232	3.62%	47,244	3.42%	32.8	16,725	-2.90%
2020	103,453	2.26%	41,599	27.95%	23,392	53.57%	41,599	-11.95%	34.7	15,906	-4.90%
2021	103,453	0.00%	42,657	2.54%	24,969	6.74%	42,657	2.54%	33.7	16,297	2.46%

Sources:

- (1) U.S. Census Bureau, 2010 & 2020 Census information (<http://factfinder.census.gov/>)
- (2) U.S. Census Bureau, 2016-2020 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	South Bend Metropolitan Area Labor Force (1)	Percent Increase/ (Decrease)	South Bend Metropolitan Area Unemployment (1)	Percent Increase/ (Decrease)	South Bend Metropolitan Unemployment Rate (1)
2012	151,242	n/a	13,922	n/a	9.21%
2013	151,509	0.18%	11,234	-19.31%	7.41%
2014	153,112	1.06%	9,044	-19.49%	5.91%
2015	156,971	2.52%	7,291	-19.38%	4.64%
2016	159,085	1.35%	6,694	-8.19%	4.21%
2017	159,240	0.10%	5,689	-15.01%	3.57%
2018	161,816	1.62%	5,937	4.36%	3.67%
2019	162,013	0.12%	5,609	-5.52%	3.46%
2020	158,137	-2.39%	8,829	57.41%	5.58%
2021	157,854	-0.18%	5,110	-42.12%	3.24%

Source:

(1) Bureau of Labor Statistics, Local Area Unemployment Statistics: South Bend-Mishawaka IN-MI Metropolitan Statistical Area (<https://www.bls.gov/lau/metrossa.htm>) - December of each year

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total employment	166,847	165,809	165,629	168,314	171,852	175,721	176,231	178,811	165,424	166,945
By Type:										
Wage and salary employment	136,844	136,390	136,105	138,475	141,683	144,810	145,127	146,253	137,774	136,613
Proprietors employment	30,003	29,419	29,524	29,839	30,169	30,911	31,104	32,558	27,650	30,332
Farm proprietors employment	1,342	1,305	1,310	1,303	1,295	1,292	1,277	1,210	571	1,200
Nonfarm proprietors employment	28,661	28,114	28,214	28,536	28,874	29,619	29,827	31,348	27,079	29,132
By Industry:										
Farm employment	1,770	1,685	1,692	1,686	1,690	1,674	1,633	1,620	720	1,562
Nonfarm employment	165,077	164,124	163,937	166,628	170,162	174,047	174,598	177,191	164,704	165,383
Private nonfarm employment	146,880	146,807	147,148	150,006	153,455	157,232	157,803	160,477	150,203	148,949
Forestry, fishing, and related activities	270	301	287	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Mining, quarrying, and oil and gas extraction	105	154	173	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	255	(D)
Construction	6,928	6,631	6,811	6,827	7,341	7,736	8,216	8,308	7,626	8,243
Manufacturing	17,619	17,655	17,139	17,523	18,098	18,444	18,670	18,422	15,309	16,287
Wholesale trade	7,250	7,097	6,870	7,265	7,477	7,678	7,064	6,978	6,959	6,991
Retail trade	17,813	17,665	17,612	17,735	17,912	18,186	17,968	17,794	16,689	16,801
Transportation and warehousing	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	5,749	(D)
Information	2,080	2,114	2,265	2,266	2,147	2,053	1,993	2,001	1,790	1,676
Finance and insurance	7,021	6,796	6,212	6,055	6,143	6,188	6,668	6,435	6,199	6,320
Real estate and rental and leasing	6,100	5,986	6,064	6,271	6,225	6,502	6,423	6,621	5,901	(D)
Professional, scientific, and technical services	7,168 E	6,981 E	7,411	7,419	7,805	(D)	8,149	8,412	7,986	8,499
Management of companies and enterprises	1,403 E	1,513 E	2,194	2,331	2,390	(D)	2,801	2,761	2,751	(D)
Administrative and support and waste management	8,356	7,912	7,785	8,142	8,169	8,657	8,442	8,432	8,065	(D)
Educational services	13,747	14,121	(D)	(D)	(D)	15,284	(D)	15,575	16,127	(D)
Health care and social assistance	21,256	21,870	(D)	(D)	(D)	23,679	(D)	23,654	23,249	(D)
Arts, entertainment, and recreation	2,811	2,767	2,809	2,749	2,742	2,852	3,132	4,118	3,727	3,191
Accommodation and food services	11,576	11,816	12,189	12,348	12,811	13,248	13,200	13,880	12,329	11,221
Other services (except government and government enterprises)	10,031	10,038	9,939	10,316	10,385	10,569	10,512	10,516	9,256	9,613
Government and government enterprises	18,197	17,317	16,789	16,622	16,707	16,815	16,795	16,714	14,501	16,434
Federal civilian	1,090	1,071	1,010	962	944	952	972	953	875	986
Military	1,043	1,006	990	1,002	1,023	1,005	972	932	855	932
State and local	16,064	15,240	14,789	14,658	14,740	14,858	14,851	14,829	12,771	14,516
State government	3,555	3,483	3,272	3,096	3,077	3,109	3,128	2,822	2,877	3,153
Local government	12,509	11,757	11,517	11,562	11,663	11,749	11,723	(D)	9,894	11,363

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

1 - The estimates of employment for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007-2010 are based on the 2007 NAICS. The estimates for 2011-2016 are based on the 2012 NAICS. The estimates for 2017 forward are based on the 2017 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 16, 2021-- new statistics for 2020; revised statistics for 2016-2019.

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.

Comparison of Growth Rates in Personal Income
St. Joseph County, the State of Indiana, and U.S.

Last Ten Years

Calendar Year	Personal Income			Annual Percentage Increase		
	St. Joseph Co. (1) (\$ in thousands)	Indiana (2) (\$ in millions)	U.S. (3) (\$ in billions)	St. Joseph Co.	Indiana	U.S.
2011	\$ 9,819,885	\$ 246,494	\$ 12,460	n/a	n/a	n/a
2012	10,333,621	258,136	13,998	5.23%	4.72%	12.35%
2013	10,502,619	261,702	14,194	1.64%	1.38%	1.40%
2014	11,090,206	272,245	14,977	5.59%	4.03%	5.52%
2015	11,782,838	282,821	15,685	6.25%	3.88%	4.73%
2016	11,803,625	290,604	16,097	0.18%	2.75%	2.62%
2017	12,375,498	301,644	16,850	4.84%	3.80%	4.68%
2018	12,929,747	316,782	17,706	4.48%	5.02%	5.08%
2019	13,107,730	329,682	18,424	1.38%	4.07%	4.06%
2020	13,883,877	350,760	19,628	5.92%	6.39%	6.53%
Average Annual Growth - Most Recent 5 Years				3.36%	4.41%	4.23%
Average Annual Growth - Most Recent 10 Years				3.94%	4.01%	5.22%

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

(1) Last updated: November 16, 2021-- new statistics for 2020; revised statistics for 1998-2019. 2021 information not yet available.

(2) Last updated: March 23, 2022—preliminary statistics for 2021; revised statistics for 2010-2020.

(3) Last updated: November 4, 2021.

Note -- All dollar estimates are in current dollars (not adjusted for inflation). Statistics presented in thousands of dollars do not indicate more precision than statistics presented in millions of dollars.

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	4.43%	1	3,000	2.25%	3
University of Notre Dame	Higher Education	6,447	4.08%	2	5,213	3.91%	1
South Bend Community School Corp	Public Schools	2,773	1.75%	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	0.82%	5	1,133	0.85%	9
Four Winds Casino	Casino and restaurants	1,250	0.79%	6	-	0.00%	
Indiana University South Bend	Higher Education	1,166	0.74%	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>14.78%</u>		<u>21,387</u>	<u>16.03%</u>	
Total Employees - South Bend Metropolitan Area Labor Force (1)		<u>158,137</u>	<u>100.00%</u>		<u>133,433</u>	<u>100.00%</u>	

Sources:

Employers' websites and the Indiana Department of Workforce Development. Note: Number of employees data not available for 2021.

(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.

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/ Program	As of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical arrests	3,174	2,959	2,608	2,483	2,342	2,229	2,664	2,028	1,785	1,875
Parking violations	1,051	1,019	299	691	480	919	548	293	662	649
Traffic violations	7,561	2,180	1,487	4,327	6,437	4,701	2,580	2,038	1,802	923
Fire:										
Emergency responses	15,720	15,865	15,902	15,340	15,886	16,829	22,659	22,166	21,958	18,003
Fires extinguished	214	220	227	213	236	339	278	393	360	290
Inspections	3,325	2,273	3,133	3,778	2,148	2,522	3,525	24	634	1,450
Refuse collection:										
Refuse collected (tons per day) (1)	128	122	128	149	139	142	142	148	170	162
Other public works:										
Street resurfacing (miles)	17	21	22	17	20	19	21	21	21	19
Potholes repaired (tonnage)	117	691	826	526	462	363	476	878	365	317
Parks and recreation:										
Athletic field permits issued	133	93	120	113	427	142	103	428	428	347
Fitness Center Admissions	61,002	63,671	67,428	64,547	67,294	73,405	68,306	71,262	65,432	84,748
Water:										
New billable housing starts	160	242	141	108	189	214	119	149	107	159
Water mains breaks	66	80	134	99	53	45	67	86	48	89
Average daily consumption (thousands of gallons)	16,600	15,300	11,000	14,500	14,640	14,358	14,640	14,400	14,866	11,294
Wastewater:										
Average daily sewage treatment (thousands of gallons)	31,770	30,690	31,991	30,200	43,874	35,800	37,110	37,730	31,870	34,559

Source: City of South Bend Departments

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/program	As of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	19	19	19	19	19	19	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	11
Training Center	-	-	-	1	1	1	1	1	1	1
Rescue units	33	33	33	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	23	19	19	19	19	19	19	19	19	18
Other public works										
Streets (miles)	499	525	525	525	525	525	525	525	525	525
Streetlights	2,500	2,700	2,700	3,000	3,015	3,015	3,015	3,015	3,056	3,056
Traffic signals	164	165	167	162	158	164	163	163	160	160
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,300	1,300	1,300	1,300
Playgrounds	23	23	23	23	23	23	23	23	37	37
Baseball/softball diamonds	27	27	27	27	27	27	27	27	23	23
Soccer/football fields	17	19	19	19	19	19	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash Pads	5	5	6	6	6	7	8	8	9	9
Community center	5	5	5	3	3	3	4	4	6	6
Water										
Water mains (miles)	582	583	584	583	583	583	586	587	587	587
Fire hydrants	5,377	5,401	5,436	5,448	5,439	5,459	5,539	5,550	5,647	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	528	526	527	527	527	535	537	251	246
Storm sewers (miles)	127	133	133	133	133	155	155	155	156	193
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

New Construction - Number of Permits and Property Values

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

Year	Residential		Commercial		Manufacturing		Total Value (\$ in 000's)	Percent Change
	Number of Permits	Value (\$ in 000's)	Number of Permits	Value (\$ in 000's)	Number of Permits	Value (\$ in 000's)		
2012	45	\$ 9,827	11	\$ 21,247	2	\$ 2,291	\$ 33,365	n/a
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%
2021	89	30,996	13	28,022	1	6,705	65,723	21.97%

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

Source: Consolidated City/County Building Department

Full-Time City Government Employees by Department

Last Ten Fiscal Years

Activity	As of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Mayor's Office	6	6	7	7	6	7	7	7	9	12
City Clerk's Office	5	5	5	5	5	5	5	4	5	4
Common Council (elected officials, part-time)	9	9	9	9	9	9	9	9	9	9
Administration and Finance (1), (2)	22	20	21	22	22	21	23	23	20	17
Human Resources (1)	-	-	-	-	-	-	-	-	6	5
Diversity & Inclusion (1)	-	-	-	-	-	-	-	-	3	3
Human Rights	6	6	6	5	5	5	4	5	5	6
Legal Department	9	10	10	11	10	10	11	10	12	10
Engineering	15	13	14	16	18	18	23	21	24	23
Office of Sustainability	-	-	-	-	-	-	1	2	2	1
Safety and Risk	3	3	3	1	2	2	2	2	1	-
311 Call Center	-	5	7	7	-	-	-	-	-	-
Public Safety:										
Police Department	291	291	295	300	287	285	283	270	271	267
Communication Center	35	33	34	-	-	-	-	-	-	-
Fire Department	249	255	257	259	268	272	262	265	257	256
Culture and Recreation:										
Parks and Recreation (3)	114	113	87	88	89	94	90	94	91	86
Convention and Events Management	14	14	14	14	12	9	10	11	9	9
Economic Development:										
Department of Community Investment	24	26	25	25	23	22	24	28	29	27
Neighborhood Services (4)	-	-	-	-	4	4	4	4	34	32
Highways and Streets:										
Streets Division / Traffic & Lighting	52	60	59	50	46	53	54	56	58	57
Enterprise Funds:										
Water Works	73	70	68	67	66	66	63	63	63	62
Wastewater	46	45	42	43	44	44	42	43	42	40
Organic Resources	6	6	6	6	6	6	6	6	6	6
Sewer	39	34	33	36	37	41	39	41	41	40
Solid Waste	24	26	22	25	29	23	22	23	22	22
Building Department	13	14	13	13	14	14	15	13	15	16
Code Enforcement/Animal Resource Center (4)	25	24	23	23	18	25	26	27	-	-
Century Center	-	-	-	-	-	-	8	6	5	5
Internal Service Fund:										
311 Call Center	-	-	-	-	6	6	7	7	7	7
Innovation & Technology (2)	-	-	-	-	-	17	20	21	22	22
Central Services Fund	42	43	38	38	40	41	39	37	35	31
Total Positions	1,122	1,131	1,098	1,070	1,066	1,099	1,099	1,098	1,103	1,075

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) Code Enforcement and Animal Resource Center moved from an Enterprise to a Governmental fund in 2020

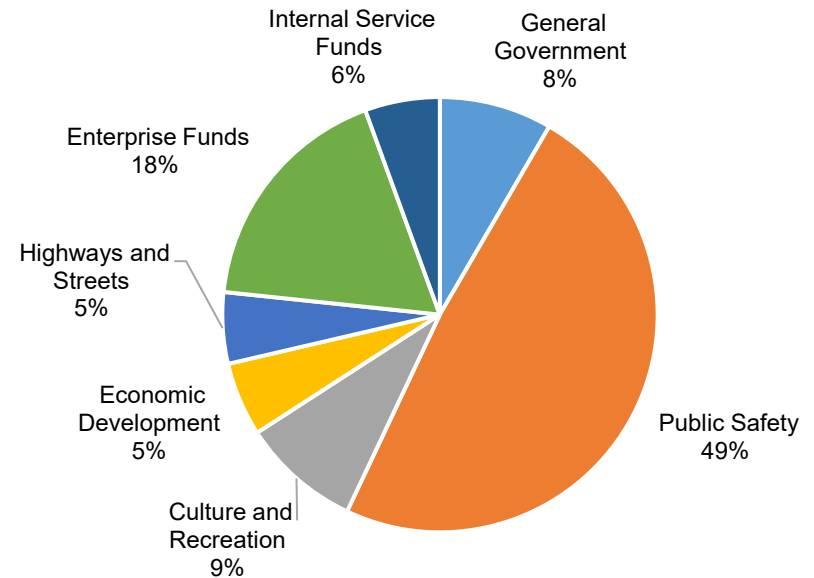
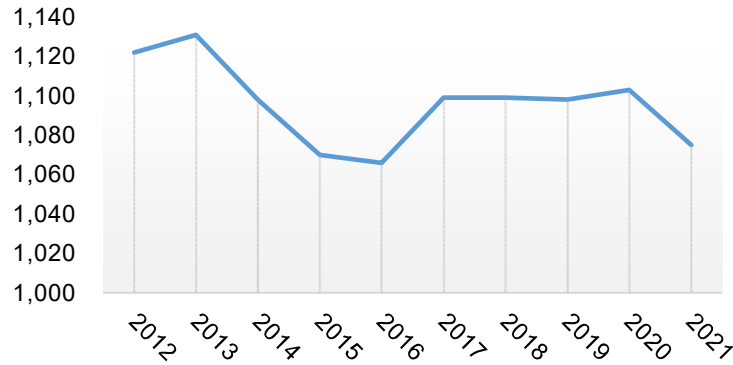
Full-Time City Government Employees by Department (Continued)

Last Ten Fiscal Years

Activity	As of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	75	77	82	83	77	77	85	83	96	90
Public Safety	575	579	586	559	555	557	545	535	528	523
Culture and Recreation	128	127	101	102	101	103	100	105	100	95
Economic Development	24	26	25	25	27	26	28	32	63	59
Highways and Streets	52	60	59	50	46	53	54	56	58	57
Enterprise Funds	226	219	207	213	214	219	221	222	194	191
Internal Service Funds	42	43	38	38	46	64	66	65	64	60
Total Positions	1,122	1,131	1,098	1,070	1,066	1,099	1,099	1,098	1,103	1,075

Full-Time Employees as of December 31, 2021

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 2021

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	1.5% + \$300 bonus	.15¢ per hour
1995	4.82%	22,850	3.00%	22,569	1.5% + \$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% and 1.5% INPRS Contribution
2018	2.00%	57,998	2.00%	57,957	2.00%	0.75% and 1.5% INPRS Contribution
2019	2.00%	59,158	2.00%	59,116	2.00%	0.75% and 1.5% INPRS Contribution
2020	2.00%	60,341	2.00%	60,298	2.00%	0.75% and 1.5% INPRS Contribution
2021	5.00%	63,358	2.00%	61,505	0.30%	1% 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	1/1/21-1/1/22	\$ 1,000,000	\$ 2,708 Premium
Crime			
Public Employee Dishonesty	12/31/20-12/31/21	\$ 2,000,000	\$ 13,591 Premium
Property			
	7/1/21-7/1/22		
All risk blanket building & contents		\$ 500,000,000	\$911,010 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	1/15/21-1/15/22	\$ 869,500	\$ 9,714 Premium
Eddy Street Commons Parking Garage	1/1/21-1/1/22		
Building & Infrastructure		\$ 36,000,000	\$ 29,298 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			
	1/1/21-1/1/22		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$ 48,000 Fee
Excess Over Self-insured \$400,000 Retention Each Accident		Statutory	\$155,415 Premium/Fee

Sources:

City of South Bend Administration & Finance Department
Gibson Insurance Company

Police Department				
	2018	2019	2020	2021
Authorized Officers	237	228	237	232
Vehicles	331	372	343	333
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	8	8	8	8
Bomb Squad	3	3	3	3
Crime Prevention Officers	3	3	5	1
Crime Data:				
Murders	9	11	28	19
Rapes	66	67	87	70
Robbery	365	277	340	355
Aggravated Assault	782	711	1,426	1,997
Residential Burglary	685	970	461	475
Non-residential Burglary	350	-	258	190
Larceny	3,288	2,956	2,783	2,587
Auto Theft	510	480	538	631
Arson	47	71	48	34
Calls for Service/Dispatches	96,853	98,536	96,237	92,818
Miles Driven	2,993,092	3,098,275	1,978,102	1,885,132
Arrests	2,664	2,109	1,785	1,875

Fire Department				
	2018	2019	2020	2021
Sworn Firefighters (46 of which are Paramedics)	255	265	256	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	3	3
River Rescue Boats	3	3	3	3
Ambulances	4	4	4	4
Neonatal (Newborn) Units	3	3	3	-
Fire Runs	3,894	5,898	5,826	4,765
Ambulance Runs	18,765	15,980	16,132	13,238

Department of Public Works				
	2018	2019	2020	2021
Traffic Signals	163	163	160	160
Street Lights (City maintained)	3,015	3,015	3,056	3,056
Miles of Streets	525	525	525	525
Miles of Sidewalks	707	707	707	707
Miles of Alleys	398	398	398	398
Miles of Sanitary Sewers and Storm Drains	692	692	692	632
City Owned Vehicles & Related Units	1,125	1,274	1,133	1,132
Sign Shop				
	2018	2019	2020	2021
Work orders for sign maintenance, installation or removal	1,642	n/a	1,550	2,020
Miles of yellow and white paint	311	n/a	203	-
Pre-formed plastic arrows used for street markings	216	n/a	160	-
Crosswalk painting at intersections	220	n/a	185	30
Temporary No Parking postings	512	n/a	n/a	-
Railroad Crossings	4	n/a	n/a	6
Special Signs Built	532	n/a	225	200
Barricades set up for events (# of events):	136	n/a	n/a	30
Block Parties	28	n/a	n/a	10

Sewer Utility				
	2018	2019	2020	2021
Customers	40,680	40,547	41,154	40,794
Dry Tons of Sludge produced per year	2,565	2,565	2,616	2,581
Miles of Sanitary Sewer Lines	232	232	251	246
Miles of Storm Sewer Lines	155	155	156	193
Miles of Combined Lines (not separated)	305	305	305	293
Water Utility				
	2018	2019	2020	2021
Customers/Meters	41,275	41,135	41,132	42,333
Irrigation Customers	2,905	2,902	2,857	2,805
Wells/Pumps in service	30	30	29	30
Pumping Capacity	40 m.g.d.	48 m.g.d.	53.7 m.g.d.	47.2 m.g.d.
Daily Consumption	14.6 m.g.d.	14.4 m.g.d.	14.8 m.g.d.	14.6 m.g.d.
Peak Demand	25.1 m.g.d.	23.5 m.g.d.	26.28 m.g.d.	24.96 m.g.d.
Miles of Distribution Systems	587	587	587	587
Fire Hydrants	5,550	5,550	5,647	5,647

Source: City of South Bend Departments

South Bend International Airport

Year	Airline Enplanements	South Shore Train	Bus to O'Hare/ Midway
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	-
2021	341,645	141,895	-

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):	2019	2020	2021
Allegiant Air	24%	33%	27%
Delta Connection	38%	24%	28%
United Express	18%	15%	19%
American	18%	26%	24%
Charters/Nonscheduled	2%	2%	2%
Total	100%	100%	100%

South Bend Public Transportation Corporation

Transpo:	2019	2020	2021
Motor Bus (Fixed Route)			
Route Miles	290	290	290
Ridership	1,510,091	890,940	937,678
Miles of Service	1,369,240	1,205,928	1,395,160
Revenue Miles	1,303,386	1,193,433	1,351,436
Demand Response (ACCESS)			
Ridership	86,081	48,354	51,383
Total Miles	452,198	312,886	331,911
Revenue Miles	387,912	260,873	284,641

Other Transportation

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

Universities and Colleges	Enrollment		
	2018-2019	2019-2020	2020-2021
University of Notre Dame	12,607	12,683	12,809
Indiana University at South Bend	5,214	5,092	4,942
Bethel University	1,513	1,450	1,362
Saint Mary's College	1,611	1,580	1,581
Holy Cross College	499	447	455

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 (Memori: 525 beds

Communications

- Access to:
- 3 Major Television Networks: NBC (WNDU), ABC (WBND), and CBS/FOX (WSBT)
 - 1 Public Broadcasting Television Station (WNIT)
 - 2 Local Television Stations (WHME, WJSV)
 - 1 Major Newspaper (The South Bend Tribune)
 - 25 Radio Stations

Famous Residents

South Bend has been the home to the many distinguished individuals including the following persons:

- Schuyler Colfax, 17th U.S. Vice President
- John Fogerty, singer
- Michael Warren, actor
- Chad Everett, actor
- Sidney Pollack, actor/director
- Knute Rockne, football coach
- John Wooden, basketball coach
- Joe Kernan, former South Bend Mayor and Indiana Governor
- Ryan Newman, racecar driver
- Skylar Diggins, woman's basketball player

Other

- Incorporated in 1865
- County Seat of St. Joseph County
- South Bend officially began under the name South Hold, but the name was changed by the Post Office in 1830 to avoid confusion with other communities that used that name. The name South Bend was used because the City is located at the southernmost point of the St. Joseph River.
- Average High Temperature:
 - January 31 degrees Fahrenheit
 - July 83 degrees Fahrenheit

City of South Bend, Indiana

Single Audit Report

For the Year Ended December 31, 2021

City of South Bend, Indiana

December 31, 2021

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City of South Bend, Indiana

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Number	Pass-Through Identifying Number	Amount Passed-Through to Subrecipients	Direct Federal Expenditures	Total Federal Expenditures
U.S. Department of Commerce					
Economic Adjustment Assistance - Economic Development Cluster	11.307	N/A	\$ 2,689,385	\$ 203,339	\$ 2,892,724
Total Economic Development Cluster			<u>2,689,385</u>	<u>203,339</u>	<u>2,892,724</u>
Total U.S. Department of Commerce			<u>2,689,385</u>	<u>203,339</u>	<u>2,892,724</u>
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	1,852,111	771,386	2,623,497
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	483,238	32,688	515,926
Indiana Office of Community & Rural Affairs					
Community Development Block Grants/Entitlement Grants	14.218	FSSA-CV2-105	39,814	1,201	41,015
Total Community Development Block Grant - Entitlement Grants Cluster			<u>2,375,163</u>	<u>805,275</u>	<u>3,180,438</u>
Emergency Solutions Grant Program					
Emergency Solutions Grant Program	14.231	N/A	175,677	2,000	177,677
COVID-19 Emergency Solutions Grant Program	14.231	N/A	929,261	6,460	935,721
Total Emergency Solutions Grant			<u>1,104,938</u>	<u>8,460</u>	<u>1,113,398</u>
Fair Housing Assistance Program - State and Local					
Fair Housing Assistance Program - State and Local	14.401	N/A	-	136,865	136,865
Lead Hazard Reduction Demonstration Grant Program	14.905	N/A	-	10,343	10,343
Total U.S. Department of Housing and Urban Development			<u>3,480,101</u>	<u>960,943</u>	<u>4,441,044</u>
U.S. Department of Justice					
COVID-19 Coronavirus Emergency Supplement Funding Program					
COVID-19 Coronavirus Emergency Supplement Funding Program	16.034	N/A	-	174,633	174,633
Indiana Criminal Justice Institution					
Project Safe Neighborhoods	16.609	6722	-	25,871	25,871
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	122,114	122,114
Total U.S. Department of Justice			<u>-</u>	<u>322,618</u>	<u>322,618</u>
U.S. Department of Transportation					
Indiana Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	A249-15-320123	-	32,479	32,479
Highway Planning and Construction	20.205	A249-15-320127	-	60,132	60,132
Highway Planning and Construction	20.205	A249-15-320127A	-	292,610	292,610
Highway Planning and Construction	20.205	A249-16-L160016	-	490,952	490,952
Highway Planning and Construction	20.205	A249-16-L160015	-	317,622	317,622
Highway Planning and Construction	20.205	A249-16-L160021	-	365,891	365,891
Highway Planning and Construction	20.205	A249-19-L180186	-	54,304	54,304
Total Highway Planning and Construction Cluster			<u>-</u>	<u>1,613,990</u>	<u>1,613,990</u>
Total U.S. Department of Transportation			<u>-</u>	<u>1,613,990</u>	<u>1,613,990</u>
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	-	98,139	98,139
Total U.S. Equal Employment Opportunity Commission			<u>-</u>	<u>98,139</u>	<u>98,139</u>
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	-	75,772	75,772
Total National Endowment for the Arts			<u>-</u>	<u>75,772</u>	<u>75,772</u>
Small Business Administration					
COVID-19 Shuttered Venue Operators Grant Program					
COVID-19 Shuttered Venue Operators Grant Program	59.075	N/A	-	992,163	992,163
Total Small Business Administration			<u>-</u>	<u>992,163</u>	<u>992,163</u>
Corporation for National and Community Service					
Indiana Department of Workforce Development					
AmeriCorps	94.006	18AFHIN001	-	172,182	172,182
Total Corporation for National and Community Service			<u>-</u>	<u>172,182</u>	<u>172,182</u>
U.S. Department of Homeland Security					
Assistance to Firefighters Grant					
Assistance to Firefighters Grant	97.044	N/A	-	51,111	51,111
Total U.S. Department of Homeland Security			<u>-</u>	<u>51,111</u>	<u>51,111</u>
Total Federal Expenditures			<u>\$ 6,169,486</u>	<u>\$ 4,490,257</u>	<u>\$ 10,659,743</u>

City of South Bend, Indiana
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Note 1: Basis of Presentation

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, 2021. 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.

Note 2: Summary of Significant Accounting Policies

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.

Note 3: Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

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, Federal Assistance Number 11.307, federal awards expended be reported on the Schedule of Expenditures of Federal Awards as shown below for the year ended December 31, 2021:

\$	2,689,385	Revolving loan fund loans outstanding
	203,339	Revolving loan fund administrative expenses
\$	2,892,724	

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 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2022.

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 other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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 opinion 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 City'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.

FORVIS,LLP

Indianapolis, Indiana
June 29, 2022



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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

Opinion on Each Major Federal Program

We have audited the City of South Bend, Indiana (City)'s compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

In our opinion, the City complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of South Bend Public Transportation Corporation, a discretely presented component unit, which expended \$10,493,770 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2021. Our compliance audit, described in the "Opinion on Each Major Federal Program" section above, does not include the operations of South Bend Public Transportation Corporation because the organizational unit engaged other auditors to perform an audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We have issued our report thereon dated June 29, 2022, which contained unmodified opinions on those financial statements and contained a reference to the report of other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. 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.

FORVIS, LLP

Indianapolis, Indiana
September 28, 2022

City of South Bend, Indiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:
 Unmodified Qualified Adverse Disclaimer
2. Internal control over financial reporting:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported
3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported
5. Type of auditor’s report issued on compliance for major federal award program(s):
 Unmodified Qualified Adverse Disclaimer
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

City of South Bend, Indiana
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

7. Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants – Entitlement Grants Cluster
14.231	Emergency Solutions Grant Program
20.205	Highway Planning and Construction Cluster
59.075	Shuttered Venue Operators Grant Program

8. Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

9. Auditee qualified as a low-risk auditee? Yes No

City of South Bend, Indiana
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

City of South Bend, Indiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
2020-001	Controls Over Financial Reporting: Management is responsible for establishing and maintaining effective internal controls over financial reporting. 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.	Resolved