

2019 CAFR (Comprehensive Annual Financial Report)

Fiscal Year Ending on December 31, 2019

city of **South Bend** Indiana

James Mueller, Mayor
Daniel Parker, City Controller
Benjamin Dougherty, Deputy City Controller
Amy Shirk, Director of Accounting & Budget



Report prepared by City of South Bend Department of Administration and Finance

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

July 31, 2020

The Honorable James Mueller, Mayor of the City of South Bend
Members of the City of South Bend Common Council
Residents of the City of South Bend

The comprehensive annual financial report of the **City of South Bend, Indiana** (the "City") for the year ended **December 31, 2019** is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities are included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of South Bend's MD&A can be found immediately following the independent auditors' report.

The Comprehensive Annual Financial Report is presented in four sections: introductory information, financial information, statistical information and federal compliance information. The **introductory section** includes this transmittal letter, the City's organizational chart, a list of principal City officials and the Certificate of Achievement for Excellence in Financial Reporting awarded to the City of South Bend for the year ending December 31, 2016. The **financial section** begins with the independent auditors' report on the City's financial statements and schedules, the City managements' discussion and analysis report, followed by the City's basic financial statements and accompanying notes. The remaining portion of this section includes the combining and individual fund and other financial statements and schedules. The **statistical section** includes selected financial and demographic information generally presented on a multi-year basis, which has been provided to give the reader a broader understanding of the City. **The federal awards compliance section, which includes the results of the supplemental audit of the City's federal awards and the internal controls necessary for compliance, is included in a separate report.**

The City is required to undergo an annual single audit in conformity with the provisions of the Code of Federal Regulations Title 2 Part 200, the provisions of Indiana Code section 5-11-1-9 and the requirements of the Indiana State Board of Accounts. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in a separate report.

The following pages of this transmittal letter begin with a general overview of South Bend and the surrounding area. Also summarized are the key financial, budgetary and property tax controls with which the City is required to comply. The remainder includes a discussion of the prior year's financial challenges and accomplishments, the City's goals and objectives for this year and beyond, and other key issues the City is facing along with the impact they may have on current and future budgets.

GENERAL INFORMATION

The City of South Bend is the county seat of St. Joseph County, Indiana, and is the fourth largest city in the state. The City of South Bend's 2010 U.S. Bureau of the Census population was 101,168. Accordingly, South Bend is classified as a "City of the Second Class" under Indiana statutes (cities with a population of 35,000 to 250,000). Population estimates in 2019 suggest that the city continues to experience growth, pointing the way to further growth before the 2020 census. The City of South Bend



operates with a mayor as chief executive and a nine-member City Common Council composed of six members elected from districts and three members elected at-large. The City of South Bend has a bond rating of AA with Standards & Poors, one of the highest bond ratings for any city in the State of Indiana.

The City provides a full range of traditional general governmental services to its residents. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events. In addition to general governmental activities, the City exercises oversight over the South Bend Water Works, the South Bend Wastewater Treatment Facility, the Century Center Convention Center, the Morris Performing Arts Center, the Studebaker National Museum, the City of South Bend Redevelopment Commission and Authority, and several downtown parking facilities.

Location

St. Joseph County lies within the heartland of the manufacturing belt and metropolitan regions of the Upper Midwest and Canada. The City of South Bend is located in the north central part of Indiana, ten miles south of the Michigan state line, 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, 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 2010 U.S. Bureau of the Census population of 269,141, boasts a strong history of manufacturing which continues today. The service industry and retail trade have also flourished, creating a balance that serves the community well. The County experienced a net growth in population of 28,317 (11.8% increase) between 1960 and 2010. After experiencing a reduction of 2.6% during 1969 to 1983, at which time the entire Midwest was at the depth of its economic restructuring and recess, the County’s population increased 4.0% between 1983 and 1990 and another 7.5% between 1990 and 2000. The population of St. Joseph County has remained fairly flat during the past decade increasing by only 1,372 residents from 2000 to 2010.

The estimated labor force in St. Joseph County is 137,320 workers (2019, STATS Indiana, using data from the Indiana Department of Workforce Development). The workers are typical of the Midwest: well-trained with a strong work ethic. Approximately 90.1% of the area’s adult population are high school graduates or higher (as compared to the national average of 88.3%) with an estimated 31.7% with a bachelor’s degree or higher. There are nine colleges, universities and technical schools within South Bend and the surrounding area, including the University of Notre Dame; Indiana University South Bend; Bethel College; Saint Mary’s College; Purdue University College of Technology at South Bend; Holy Cross College; American National University; and Ivy Tech Community College. The St. Joseph County 2019 Annual Average Unemployment was 3.7%, which is slightly higher than the state of Indiana unemployment rate of 3.5%. The unemployment rate in St. Joseph County is similar to the surrounding counties—Elkhart (2.9%), LaPorte (4.7%), and Marshall (3.4%) in Indiana (2019 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 2019 Summary, using data from US Bureau of Labor Statistics):



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

According to the United States Census Bureau, St. Joseph County presently has an estimated 100,861 households with a median household income of \$54,434, which compares to the State of Indiana median household income of \$55,746 and the United States median household income of \$61,937. Surrounding counties have similar median household incomes—Elkhart (\$58,350), La Porte (\$51,584), and Marshall (\$53,889) in Indiana and Cass (\$52,741) and Berrien (\$51,262) in Michigan.

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

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

Gender %, male/female: 48.59% male; 51.41% female

Age:

Under 20 years of age	27.1%
20-29 years of age	14.4%
30-39 years of age	11.9%
40-49 years of age	12.0%
50-59 years of age	12.0%
60-64 years of age	6.6%
65 years of age and older	15.9%

Race:

White	72.10%
Black or African American	11.35%
Hispanic or Latino	8.52%
American Indian and Alaska Native	0.47%
Asian	2.29%
Native Hawaiian and Other Pacific Islander	0.09%
Some other race	1.81%
Two or more races	3.38%

Home Ownership 67.8% own; 32.2% rent/other



The cost of living continues to be one of the greatest advantages of living in this community. The housing costs in South Bend are well below the national and regional averages. Per a report compiled by the National Association of Realtors in the first quarter of 2020, the median sales price for a single-family home in the South Bend-Mishawaka Statistical Area was \$134,800 as compared to a median sales price of \$261,700 in Chicago and \$204,000 in Indianapolis. The national median sales price is \$274,600.

Between January 2016 and December 2019, the City of South Bend has seen approximately \$575 million in private investment and the announcement of close to 1,900 new jobs. By providing state of the art innovative infrastructure and, in some cases, offering targeted assistance the City can stimulate private investment, creating business opportunities and jobs. The City has had many significant economic development projects to include new downtown residential housing, mixed use developments, downtown hotels, and high-tech industrial projects. City investments encourage new start-up businesses, strengthen existing business, attract new jobs, increase assessed value and emphasize direct investment in hard-to-develop areas. Efforts have been and will continue to focus on implementing the comprehensive plans for our neighborhood and downtown areas.

The South Bend Community School Corporation serves the entire City and some of the surrounding area and has a current enrollment of approximately 15,906 students in grades pre-kindergarten through 12. An estimated 6,130 students attend private or parochial schools within the City. The nine institutions of higher education and technical training located within the South Bend area have a total enrollment of approximately 27,000. Over the years, the University of Notre Dame has provided a stabilizing influence on the economy with a very significant positive economic impact upon the community.

South Bend History and Amenities

In 1820, Pierre Navarre of the American Fur Trading Company was the first settler in the area to become later known as South Bend. South Bend has continued to progress in its growth since 1842 when Father Edward Sorin named his rustic log chapel “Notre Dame du Lac” and began to teach the local Indians. Today the chapel has grown into the University of Notre Dame. In 1852, H.C. Studebaker started the industry of making wagons and horse-drawn buggies that evolved into the manufacturing of the Studebaker automobile. It made the name Studebaker synonymous with the area of South Bend and its major employer until its closure in 1963.

Another industrial firm that would later become the area’s largest began in 1923 when Vincent Bendix began manufacturing automotive brakes. In 1929, the company became the Bendix Aviation Corporation, and now, as Honeywell (formerly AlliedSignal Inc.), is a leading manufacturer of automotive and aerospace products. The Singer Sewing Company and the Oliver Chilled Plow Works were other important companies during the early history of South Bend.

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

Special attractions within the South Bend area include the Olympic-class East Race Waterway and the East Bank area; the renovated Morris Performing Arts Center, which provides for the Broadway Theater League, the South Bend Symphony Orchestra with the Chamber and Pops Orchestras, and the Southold Dance Theater and Patchwork Dance Company; the award-winning South Bend Civic Theater; the Studebaker National Museum; the South Bend Museum of Art; the Snite Museum of Art at Notre Dame; the Northern Indiana Center for History; Copshaholm/The Oliver Mansion; Century Center; Potawatomi Zoo; the Morris Conservatory/Muessel-Ellison Tropical Gardens; Healthworks! Kids Museum; the Farmers’ Market; and the Byers Softball Complex. The Four Winds Field Baseball Stadium is a 5,600-seat facility which opened in 1987 and is rated among the best in minor league baseball. The stadium is home to the South Bend Cubs, a minor league team affiliated with the Chicago Cubs.

Additional miscellaneous information about the City of South Bend can be found in the statistical section of this report.

Financial, Budgetary and Property Tax Controls

The City’s management team is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control



structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. On November 28, 2016, the South Bend Common Council approved a new Internal Controls policy for the City.

Single Audit

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City. As part of the City's single audit described earlier, tests are performed to review internal controls to determine the auditing procedures that are appropriate under the circumstances, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the year ended December 31, 2018 are included in a separate report.

Budgetary Controls

In accordance with Indiana statutes, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget (prepared on a cash basis) which is adopted by the Common Council or Redevelopment Commission (depending on the fund) and then reviewed and approved by the State of Indiana Department of Local Government and Finance (DLGF). Activities of the general fund, special revenue funds, capital project funds, enterprise funds, internal service funds, pension trust funds and debt service funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major budget classification within funds. The Mayor and Common Council may transfer appropriations from one major budget classification to another within a department by ordinance if the total appropriations for that fund are not exceeded. Additional appropriations in excess of the original budget must be approved by the Mayor and Common Council and are also submitted to the DLGF for either approval or acknowledgement (depending on the fund). Additional appropriations for funds approved by the Redevelopment Commission do not require DLGF approval. The deadline for adoption of the annual budget is November 1. The city's fiscal year begins on January 1.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year end and are carried over to the following year as a part of the subsequent year's budget.

Property Tax Controls

In addition to budgetary and other controls established by Indiana law, the City must operate within specific and rigid controls governing the amount of property tax it may levy. The property tax control program, which began in 1973, limits the amount of property tax that may be levied by each unit of government in its legally budgeted funds. The total amount of property tax levied by the unit may increase by the six-year average annual growth in Indiana personal non-farm income, as calculated by the U.S. Bureau of Economic Analysis, with a 6% maximum.

During March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties and 3% for all other real and personal property. This legislation was phased in over a two-year period beginning in 2009. The loss of revenue to the City due to this legislation was significant (estimated to be over \$40 million dollars per year) but this revenue loss has been offset by cost savings and the adoption of local option income taxes to continue providing essential City services, including police and fire protection.

A historical view of the City's tax rate and its net assessed valuation has been included in the statistical section of this document.

Mayoral Leadership

Mayor James Mueller is the chief executive of the City of South Bend. The city's thirty-third mayor, he was sworn into office on January 1, 2020. As mayor, Mueller is responsible for the city workforce of over 1,000 employees and an annual budget over \$380 million.

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



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

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

Mayor Mueller's priorities include:

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Bend for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the 29th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Department of Administration and Finance. Each fiscal officer and member of the Department has our sincere appreciation for the contributions made in the preparation of this report. We would especially like to acknowledge the efforts of the core CAFR preparation team of Ben Dougherty, Amy Shirk, Maricela Juarez and consultant Bruce Snyder. In addition, we would like to thank the Field Examiners of the Indiana State Board of Accounts (led by Lori Adney) for their hard work and dedication in this effort.

In closing, without the leadership and support of Mayor James Mueller, City Department Heads, City Fiscal Officers and members of the City of South Bend Common Council, preparation of this report would not have been possible.

Sincerely,

Daniel T. Parker
City Controller



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
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Presented to

**City of South Bend
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

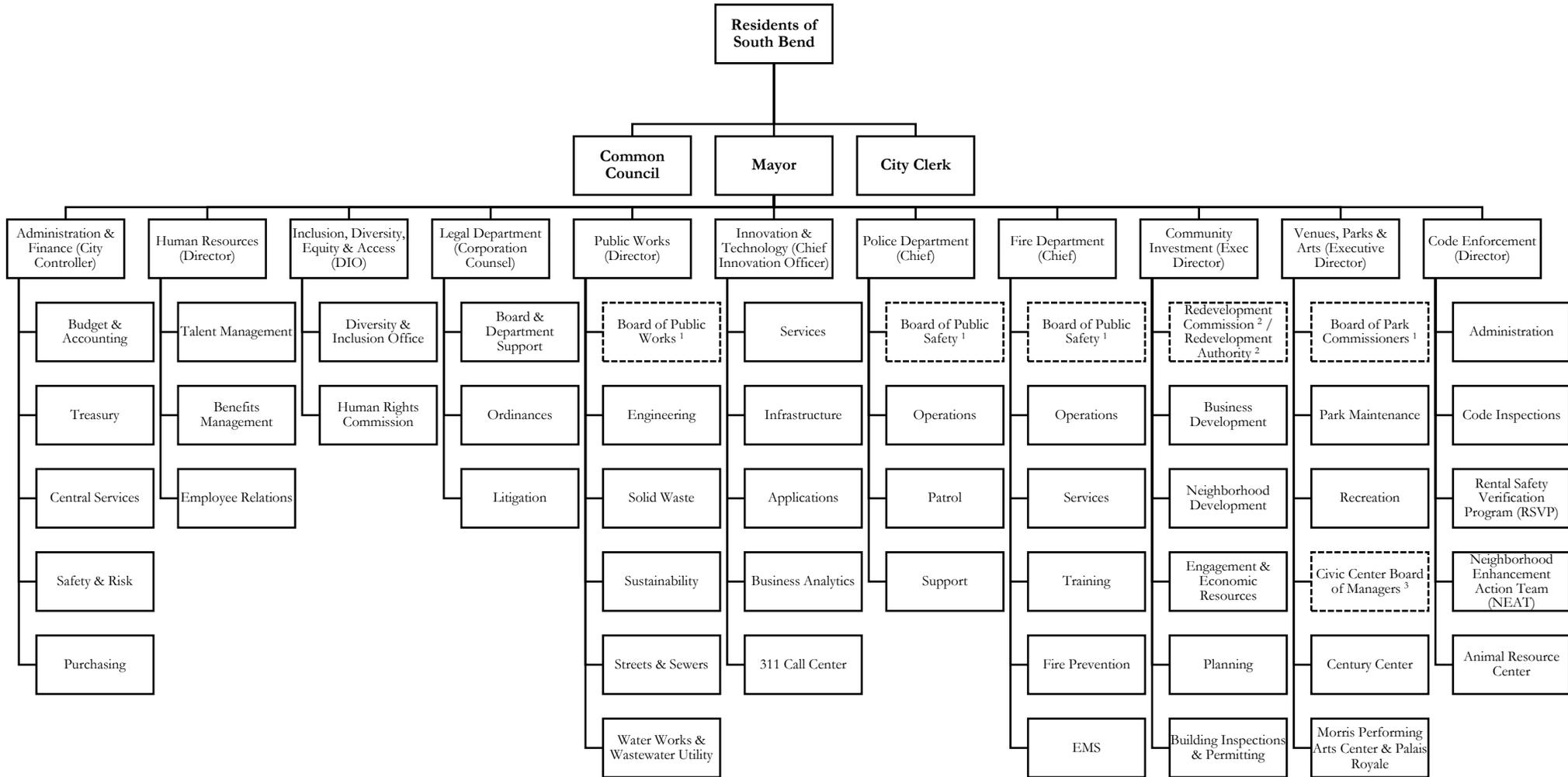
December 31, 2018

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, 2020



CITY OFFICIALS

Office	Official	Term
Mayor	Pete Buttigieg James Mueller	01/01/2016 to 12/31/2019 01/01/2020 to 12/31/2023
Controller	Daniel Parker	12/10/2018 to 12/31/2023
City Clerk	Kareemah Fowler Dawn M. Jones	01/01/2016 to 08/01/2019 08/15/2019 to 12/31/2023
President of the Board of Public Works	Gary A. Gilot	12/31/2012 to 12/31/2020
Common Council Members		
1 st District	Tim Scott	01/01/2016 to 06/15/2020
1 st District	Canneth Lee	07/01/2020 to 12/31/2023
2 nd District	Regina Williams-Preston	01/01/2016 to 12/31/2019
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	Jo M. Broden	01/01/2016 to 12/31/2019
4 th District	Troy Warner	01/01/2020 to 12/31/2023
5 th District	Jake Teshka	06/04/2018 to 12/31/2023
6 th District	Oliver Davis	01/01/2016 to 12/31/2019
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	John Voorde	01/01/2016 to 12/31/2019
At Large	Gavin Ferlic	01/01/2016 to 12/31/2019
At Large	Lori K. Hamann	01/01/2020 to 12/31/2023
At Large	Rachel Tomas Morgan	01/01/2020 to 12/31/2023



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Bend (City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of South Bend Public Transportation Corporation (Corporation), a component unit of the City as described in Note 1, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. 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 Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As Discussed in Note 21 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Investment Returns, Schedules of Contributions, Schedule of Changes in the City Net Pension Liability and Related Ratios, Schedules of City Contributions, Schedules of the City's Proportionate Share of the Net Pension Liability, Schedule of Changes in the City's Total OPEB Liability and Related Ratios, Budgetary Comparison Schedules, and Budget/GAAP Reconciliation, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Fund Descriptions, Combining Balance Sheet, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances, Budgetary Comparison Schedules, Combining Statements of Net Position, Combining Statements of Cash Flows, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Changes in Assets and Liabilities, and Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 5, 2020

The management of the City of South Bend, Indiana (the "City") provides herewith this Management's Discussion and Analysis (MD&A) of the financial activities and condition of the **City of South Bend, Indiana** for the fiscal year ended **December 31, 2019**.

Readers of the information contained within this Management's Discussion and Analysis, and any opinion derived therein, should be considered as a part of the greater whole of the financial statements, notes to the financial statements, supplemental information and letter of transmittal, as contained within this Comprehensive Annual Financial Report (CAFR).

The City of South Bend is the county seat of St. Joseph County, Indiana, and is the fourth largest city in the state of Indiana. St. Joseph County is located within the heartland of the manufacturing and metropolitan regions of the Upper Midwest. The City of South Bend is located in the north central region of the state of Indiana, five (5) miles south of the Indiana / Michigan state boundary line. The City is approximately ninety (90) miles east of the city of Chicago and one hundred forty (140) miles north of the city of Indianapolis.

The 2010 U.S. Bureau of the Census population for the City of South Bend was reported as 101,168 and the 2010 Census population for St. Joseph County was reported as 266,931. Accordingly, South Bend is classified as a "Second Class City" under State of Indiana statutes, defined as cities with a population between 35,000 and 600,000 residents.

The City of South Bend and St. Joseph County is a vibrant and diverse area with a strong local economy based on a mix of agricultural, manufacturing and service, higher education, health care and other commercial and tourism-based industries. The diverse economic mix creates varied employment opportunities for residents while providing insulation from economic downturns through diversification. South Bend is home to the University of Notre Dame.

The City of South Bend provides a full range of general governmental services to its residents. Services include general government, public safety, street construction and maintenance, infrastructure construction and maintenance, parks and recreation services, arts and culture, and sanitation services. In addition, the City provides Water Utility, Wastewater Utility and Solid Waste services to commercial and residential properties within the city. City operations also include the Century Center convention venue, Morris Performing Arts Center, Palais Royale Ballroom, Studebaker National Museum, South Bend Redevelopment Authority and Public Parking Garages within the city footprint.

The City of South Bend governmental structure includes elected officials as follows with defined management and legislative authority in compliance with Indiana statute.

Mayor	Chief Executive Officer	4-year term
Common Council	9 member legislative body	4-year term
	6 from defined districts within the City	
	3 at-large members	
City Clerk	Secretary of the Common Council	4-year term

The current terms of office for Common Council members, Mayor and City Clerk expire on December 31, 2019.

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

Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets/deferred outflows	\$535,757,261	\$549,087,793	\$310,824,693	\$312,394,274	\$846,581,954	\$861,482,067	\$ 32,742,966	\$ 35,816,187
Liabilities/deferred inflows	401,154,154	390,492,918	90,829,727	100,602,999	491,983,881	491,095,917	3,357,311	3,550,243
Net Position								
Net investment in capital assets	123,340,793	143,282,487	155,288,994	147,069,159	278,629,787	290,351,646	30,351,397	31,780,744
Restricted	11,332,302	11,639,254	34,701,170	33,936,695	46,033,472	45,575,949	-	-
Unrestricted	(69,988)	3,673,134	30,004,802	30,785,421	29,934,814	34,458,555	(965,742)	485,200
Total Net Position	\$134,603,107	\$158,594,875	\$219,994,966	\$211,791,275	\$354,598,073	\$370,386,150	\$ 29,385,655	\$ 32,265,944
Change vs. prior year	\$(23,991,768)	\$9,701,852	\$8,203,691	\$7,374,069	\$(15,788,077)	\$17,075,921	\$ (2,880,289)	\$ (1,316,233)
Expenses	205,133,996	164,683,229	73,074,437	65,978,297	278,208,433	230,661,526	13,824,067	12,947,703
Revenues	178,373,377	169,155,420	84,046,979	78,582,027	262,420,356	247,737,447	10,943,778	11,631,470

- **Note:** The City had three prior period adjustments that affected net position as of December 31, 2018. The first prior period adjustment was related to the implementation of GASB Statement 84 and had the effect of increasing net position in governmental activities by \$485,158. The second prior period adjustment was the correction of an error that understated assets in the Parking Garage fund. This adjustment had the effect of increasing net position in business-type activities by \$1,105,815. Finally, the third prior period adjustment was the correction of a misstatement of loans receivable in the DCI Federal Grants fund. This adjustment had the effect of increasing net position in governmental activities by \$1,568. All statements and tables that present 2018 data throughout this Management's Discussion and Analysis have been adjusted to reflect these restatements. More information on these prior period adjustments can be found in Note 21 to the Financial Statements.
- Government-wide net position was \$354,598,073 as of December 31, 2019.
- Government-wide net position decreased by \$15,788,077 or 4.3% during fiscal year 2019. Governmental activity net position decreased by \$23,991,768 or 15.1% and business-type activity net position increased by \$8,203,691 or 3.9% during fiscal year 2019. The decrease in governmental activity net position is primarily driven by three factors:
 - First, the City had several large debt-financed expenditures that were not spent on City-owned assets and thus were recognized as expenses and were not capitalized. These expenditures included \$9,125,000 for the South Shore Double Tracking Project and \$4,602,119 for the Eddy Street Commons project.
 - Second, the City saw a substantial increase in net pension liability and an elimination of the City's net pension asset. Together, these impacts reduced governmental activities net position by \$11,452,715.
 - Finally, there were several governmental activities funds in which the City planned for an intentional spend-down of excess resources in 2019. This included the Motor Vehicle Highway fund (which primarily expends resources on non-capitalized road repairs and maintenance) and the City's Self-Funded Employee Benefits fund. These funds had resources in excess of reserve requirements, and the City's Common Council elected to intentionally spend these resources in 2019 to further the City's strategic goals.

- Total assets and deferred outflows of resources as of December 31, 2019 of \$846,581,954 decreased by \$13,794,298 or 1.60% as compared to total assets and deferred outflows of resources as of December 31, 2018. The decrease is primarily attributable to lower cash reserves as of December 31, 2019.
- Total liabilities and deferred inflows of resources as of December 31, 2019 of \$491,983,881 increased by \$887,964 or 0.18% as compared to total liabilities and deferred inflows of resources as of December 31, 2018. This increase was driven primarily by an increase in Customer Deposits Payable due to the reclassification of the Morris Palais Box Office fund as a governmental fund. This fund was previously classified as a fiduciary fund.
- As of December 31, 2019, the government-wide net position of \$354,598,073 has \$278,629,787 invested in capital assets (net of debt) which is not available for spending, \$46,033,472 classified as restricted for debt service; capital outlay; and other; and \$29,934,814 classified as unrestricted.
- Government-wide revenue received in fiscal 2019 totaled \$262,420,356, an increase of \$14,682,909 or 5.9% versus government-wide revenue received in fiscal 2018. Governmental activity revenue increased by \$9,217,957 or 5.4%, and business-type activity revenue increased by \$5,464,952 or 6.95%. Governmental activity revenue increases are due mainly to increases in overall property taxes and income taxes, as well as certain one-time revenue sources. The increase in the business-type activity revenue is due mainly to significant increases in Water Utility and Wastewater Utility revenue.
- Government-wide expenses in 2019 totaled \$278,208,433, an increase of 20.6% compared to expenses of \$230,661,526 in 2018. Government activity expenses increased by \$40,450,767 or 24.6%, while business-type activity expenses increased by \$7,096,140 or 10.8% compared to fiscal 2018. The increase in the governmental activity expenses are due primarily to large, debt-financed expenditures that were not spent on City-owned assets and thus were recognized as expenses and were not capitalized. Additionally, the City's pension expense increased significantly in 2019. The increase in the business-type activities is due mainly to an increase in costs at that City's Wastewater utility.
- 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, revenue and expenditures can be found in later sections of this MD&A.

Overview of the Financial Statements

The City of South Bend's financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of South Bend's finances using "accrual-based accounting," a method of accounting used by private sector businesses.

Statement of Net Position

This statement reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City of South Bend as of December 31, 2019. 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, 2019. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The statement of activities displays the expense of the City's various programs net of the related revenues, as well as a separate presentation of revenue available for general purposes including property and local income taxes, fees for services and other revenue sources.

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

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 and the South Bend Building Corporation, Inc. These entities are set up to exclusively benefit or provide services to the City, and the management team of the City has operational responsibility for these entities. Accordingly, the financial information for these entities is blended into the primary government in these statements. In contrast, the City has included the South Bend Public Transportation Corporation (Transpo) as a discrete component unit. Although the City does not have operational responsibility for Transpo, and no financial benefit or burden accrues to the City due to Transpo's operations, Transpo is nonetheless fiscally dependent on the City. This dependency exists because the South Bend Common Council has the authority to approve and modify Transpo's budget and levy taxes on behalf of Transpo. More information on the City's component units can be found in Note 1 to the Financial Statements.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Bend can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Each fund has its own cash balance which must be maintained according to the City's cash reserve policy.

Governmental Funds

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. Governmental funds use the modified accrual accounting method. The City maintains seven (7) major governmental funds (General, Parks and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax (COIT),

Economic Development Income Tax (EDIT), Rainy Day, and River West TIF) and seventy-two (72) nonmajor governmental funds.

Proprietary Funds

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains seven (7) enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in fund net position for the Water utility, Wastewater utility and Century Center, which are considered major enterprise funds. Data from the other four (4) nonmajor enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, and Emergency Medical Services) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.
- **Internal service funds** are used to accumulate and allocate costs internally among the City's various functions and funds. The City maintains seven (7) internal service funds. The City of South Bend uses internal service funds to account for its self-funded liability insurance program, self-funded employee health benefits program, unemployment compensation claims, police take-home vehicle program, Innovation & Technology and 311 call center, parental leave benefit for City employees, and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, printing and other services provided to City departments on a cost-reimbursement basis). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The City maintains four (4) fiduciary funds, which consist of two (2) pension trust funds (1925 Police Officers' Pension and 1937 Firefighters' Pension), and two (2) custodial funds (Payroll and Police Distributions Payable).

Pension Trust Fund Operations

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Statements

The following financial analysis will focus on the statement of net position and statement of changes in net position of the City's governmental and business-type activities.

Statement of Net Position

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets								
Current and other	\$244,488,625	\$267,088,203	\$ 71,530,668	\$ 71,059,755	\$316,019,293	\$338,147,958	\$2,207,669	\$3,012,279
Capital assets (net)	277,107,551	266,077,813	237,806,828	239,584,702	514,914,379	505,662,515	30,397,350	32,191,195
Total Assets	521,596,176	533,166,016	309,337,496	310,644,457	830,933,672	843,810,473	32,605,019	35,203,474
Deferred Outflows	14,161,085	15,921,777	1,487,197	1,749,817	15,648,282	17,671,594	137,947	612,713
Liabilities								
Current	15,300,998	8,324,537	5,481,525	4,493,137	20,782,523	12,817,674	1,213,649	1,155,229
Long-term	366,169,899	362,740,661	84,279,542	96,061,945	450,449,441	458,802,606	1,327,535	2,308,165
Total Liabilities	381,470,897	371,065,198	89,761,067	100,555,082	471,231,964	471,620,280	2,541,184	3,463,394
Deferred Inflows	19,683,257	19,427,720	1,068,660	47,917	20,751,917	19,475,637	816,127	86,849
Net Position								
Net investment in capital assets	123,340,793	143,282,487	155,288,994	147,069,159	278,629,787	290,351,646	30,351,397	31,780,744
Restricted	11,332,302	11,639,254	34,701,170	33,936,695	46,033,472	45,575,949	-	-
Unrestricted	(69,988)	3,673,134	30,004,802	30,785,421	29,934,814	34,458,555	(965,742)	485,200
Total Net Position	\$134,603,107	\$158,594,875	\$219,994,966	\$211,791,275	\$354,598,073	\$370,386,150	\$29,385,655	\$32,265,944

- As of December 31, 2019, total assets and deferred outflows exceeded liabilities and deferred inflows by \$354,598,073, a decrease of \$15,788,077, or 4.3%, from the net position level as of December 31, 2018.
- Governmental activities net position of \$134,603,107 decreased by \$23,991,768, or 15.1%, from December 31, 2018.
- Business-type net position of \$219,994,966 increased by \$8,203,691, or 3.9%, from December 31, 2018. The increase in business-type net position was due primarily to higher than expected revenue in the Wastewater Utility.
- Government-wide assets and deferred outflows of resources as of December 31, 2019 of \$846,581,954 decreased by \$13,794,298 or 1.60% as compared to total assets and deferred outflows of resources as of December 31, 2018. The decrease is primarily attributable to lower cash reserves as of December 31, 2019.
- Government-wide liabilities and deferred inflows of resources as of December 31, 2019 of \$491,983,881 increased by \$887,964 or 0.18% as compared to total liabilities and deferred inflows of resources as of December 31, 2018. This increase was driven primarily by an increase in Customer Deposits Payable due to the reclassification of the Morris Palais Box Office fund as a governmental fund. This fund was previously classified as a fiduciary fund.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

December 31, 2019

- Net position for the South Bend Public Transportation Corporation decreased by \$2,880,289, or 8.9%. This decrease was driven primarily by depreciation expense on capital assets outpacing current year additions.

Statement of Activities

	Governmental Activities		Business-type Activities		Government-wide		Discrete Component Unit	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue								
<i>Program revenue</i>								
Charges for Services	\$5,658,913	\$6,476,043	\$79,266,404	\$75,940,019	\$84,925,317	\$82,416,062	\$1,437,390	\$1,547,610
Operating grants	14,701,908	26,248,738	-	278,112	14,701,908	26,526,850	4,529,201	5,154,880
Capital grants	3,605,801	4,100,000	1,710,762	-	5,316,563	4,100,000	-	-
<i>General revenue</i>								
Taxes								
Property Tax	82,470,667	80,155,902	-	-	82,470,667	80,155,902	4,220,655	3,948,880
Other Tax	35,472,965	33,527,962	1,275,000	1,275,000	36,747,965	34,802,962	-	-
State-shared revenue	13,680,283	4,819,125	-	-	13,680,283	4,819,125	-	-
Investment Earnings	5,136,772	3,304,646	1,784,206	1,088,896	6,920,978	4,393,542	15,773	11,840
Other Revenue	17,646,068	10,554,893	10,607	-	17,656,675	10,554,893	740,759	968,260
Total Revenue	178,373,377	169,187,309	84,046,979	78,582,027	262,420,356	247,769,336	10,943,778	11,631,470
Expenses								
General Government	10,915,147	12,654,430	-	-	10,915,147	12,654,430	-	-
Public Safety	92,017,691	69,209,163	-	-	92,017,691	69,209,163	-	-
Highways & Streets	27,114,327	17,223,378	-	-	27,114,327	17,223,378	-	-
Economic Development	44,698,518	33,801,755	-	-	44,698,518	33,801,755	-	-
Culture & Recreation	24,641,558	26,076,331	-	-	24,641,558	26,076,331	-	-
Interest on long-term debt	5,746,755	5,718,172	-	-	5,746,755	5,718,172	-	-
Water Utility	-	-	16,268,059	14,788,847	16,268,059	14,788,847	-	-
Wastewater Utility	-	-	32,482,382	25,744,139	32,482,382	25,744,139	-	-
Century Center	-	-	5,469,673	5,287,797	5,469,673	5,287,797	-	-
Building Department	-	-	4,329,275	4,136,837	4,329,275	4,136,837	-	-
Parking	-	-	1,178,641	459,536	1,178,641	459,536	-	-
Solid Waste	-	-	5,481,420	5,467,986	5,481,420	5,467,986	-	-
Emergency Medical Svcs	-	-	7,864,987	8,987,340	7,864,987	8,987,340	-	-
Public Transportation	-	-	-	-	-	-	13,824,067	12,947,703
Total Expenses	205,133,996	164,683,229	73,074,437	64,872,482	278,208,433	229,555,711	13,824,067	12,947,703
Change in Net Position								
Before Transfers	(26,760,619)	4,504,080	10,972,542	13,709,545	(15,788,077)	18,213,625	(2,880,289)	(1,316,233)
Transfers	2,768,851	5,229,661	(2,768,851)	(5,229,661)	-	-	-	-
Change in Net Position	(23,991,768)	9,733,741	8,203,691	8,479,884	(15,788,077)	18,213,625	(2,880,289)	(1,316,233)
Beginning Net Position	158,594,875	148,861,134	211,791,275	203,311,391	370,386,150	352,172,525	\$32,265,944	33,582,177
Ending Net Position	<u>\$134,603,107</u>	<u>\$158,594,875</u>	<u>\$219,994,966</u>	<u>\$211,791,275</u>	<u>\$354,598,073</u>	<u>\$370,386,150</u>	<u>\$29,385,655</u>	<u>\$32,265,944</u>

Governmental Activities

Net position for governmental activities decreased by \$23,991,768 during fiscal 2019, a decrease of 15.1% from the balance of Net Position at December 31, 2018. Revenue of \$178,373,377 increased by \$9,186,068, or 5.4%. Expenses were \$205,133,996 during 2019, an increase of \$40,450,767, or 24.6% as compared to fiscal 2018.

The governmental activities revenue increases were due primarily to higher property tax and income tax revenue during 2018 resulting from an increase in assessed property values and an improving local economy. Additionally, investment revenues increased dramatically in 2019, spurred by a larger asset pool in the investment portfolio and strong market performances. Governmental activities expenses increased significantly in 2019, due primarily to several large debt-funded expenditures that were not recognized as capital assets. Additionally, pension and OPEB expense increased significantly in 2019.

City of South Bend, Indiana

Management's Discussion and Analysis (Continued)

December 31, 2019

Business-type Activities

Net position from business-type activities increased by \$8,203,691 during fiscal 2019, an increase of 3.9% from the balance of Net Position at December 31, 2018. During 2019, business-type activities revenue of \$84,046,979 increased by \$5,464,952, or 6.95%, over fiscal 2018. During 2019, business-type activities expenses of \$73,074,437 increased by \$8,201,955, or 12.64%, when compared to fiscal 2018.

These changes are due primarily to higher-than-expected revenue, particularly in the Wastewater Utility.

Component Unit

Net position for the South Bend Public Transportation Corporation decreased by \$2,880,289. This decrease was primarily driven by increased expenses in the areas of labor, professional services, and material and supply expense. Total operating expenses increased by \$855,416, or 7%. Additionally, operating grants from the federal and state governments decreased by \$625,679, or 12.1%.

Financial Analysis of Governmental Funds

The City of South Bend uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Funds of the City are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Condensed Balance Sheet, Statement of Revenue, Expenditures, and Changes in Fund Balance As of December 31, 2019

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Total assets	\$45,457,570	\$ 3,773,841	\$ 3,264,927	\$13,364,939	\$18,075,472	\$10,770,099	\$37,456,274	\$92,033,449	\$224,196,571
Total liabilities	2,157,970	1,127,909	277,450	721,400	366,970	-	866,082	9,232,698	14,750,479
Fund Balances									
Nonspendable	-	15,686	-	-	-	-	-	-	15,686
Restricted	-	2,630,246	2,987,477	-	-	-	36,590,192	77,010,483	119,218,398
Committed	-	-	-	-	-	-	-	4,495,457	4,495,457
Assigned	820,834	-	-	12,643,539	17,708,502	10,770,099	-	1,352,663	43,295,637
Unassigned	42,478,766	-	-	-	-	-	-	(57,852)	42,420,914
Total fund balances	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	82,800,751	209,446,092
Total liabilities and fund balances	45,457,570	3,773,841	3,264,927	13,364,939	18,075,472	10,770,099	37,456,274	92,033,449	224,196,571
Revenues	71,873,514	19,400,603	9,287,925	13,285,302	14,025,594	301,373	19,876,040	30,323,026	178,373,377
Expenditures	73,089,399	24,738,130	8,137,525	8,439,903	5,940,181	-	17,090,497	79,044,491	216,480,126
Net Surplus (deficit)	(1,215,885)	(5,337,527)	1,150,400	4,845,399	8,085,413	301,373	2,785,543	(48,721,465)	(38,106,749)
Other sources (uses)	5,885,685	587,998	-	(3,837,252)	(5,643,431)	-	(4,203,837)	20,898,222	13,687,385
Net Change in Fund Balances	4,669,800	(4,749,529)	1,150,400	1,008,147	2,441,982	301,373	(1,418,294)	(27,823,243)	(24,419,364)
Beginning Fund Balance	38,629,800	7,395,461	1,837,077	11,635,392	15,266,520	10,468,726	38,008,486	110,623,994	233,865,456
Ending Fund Balance	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	82,800,751	209,446,092

As of December 31, 2019, the City governmental funds reported a combined ending fund balance of \$209,446,092.

The nonspendable fund balance of \$15,686 is sequestered for inventory, and is, therefore, not available for new spending. The restricted fund balance of \$119,218,398 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 \$4,495,457 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 \$43,295,637 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 \$42,420,914 consists of money primarily in the General Fund that has not been obligated in any manner by the City less deficits in certain nonmajor governmental funds due primarily to accrued wages that will be paid back over time.

The **General Fund** is the primary operating fund for City operations including general government, public safety, certain culture and recreation expenses, and certain debt service obligations.

As of December 31, 2019, the General Fund balance of \$43,299,600 represents an increase of \$4,669,800, or 12.1% from the balance as of December 31, 2018. The increase was due primarily to higher property tax revenue during 2018 than expected and lower spending for public safety and administration than anticipated.

As of December 31, 2019, the General Fund had an unassigned fund balance of \$42,478,766 which is equal to 58.1% of 2019 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 2019 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 2019.

As discussed in Governmental Accounting, Auditing, and Financial Reporting (GAAFR), a General Fund unassigned fund balance should be either 1) no less than 5 to 15 percent of regular General Fund operating revenues, or 2) no less than one to two months of regular General Fund operating expenditures. An unassigned fund balance may be higher if circumstances dictate, such as a delay in collection of a major revenue source. The City has a policy to maintain fund reserves equal to at least 35% of annual expenditures and exceeded this target at December 31, 2019.

The **Parks and Recreation Fund** balance decreased by \$4,749,529 during fiscal 2019, due primarily to the planned spend down of fund balance on the My SB Parks & Trails capital projects. As of December 31, 2019, the fund balance in the Parks and Recreation Fund was \$2,645,932, or 10.7% of 2019 expenditures. The City has a policy to maintain fund reserves equal to at least 25% of annual expenditures in this fund, and did not meet this target as of December 31, 2019. This was primarily due to much higher than normal expenditures on capital projects during 2019.

The **Public Safety Local Option Income Tax Fund** (Public Safety LOIT) was created in October 2009, with the local legislative passage of an increase in local option income taxes of 0.95%, a part of which (0.25%) tax increase was established to fund public safety expenditures. The City has established the Public Safety LOIT Fund as a major governmental fund, due solely to its purpose of creating a funding source to sustain public safety staffing levels, which were compromised by state implementation of property tax reform that has reduced property tax revenues, which historically are the source of public safety funding. Public Safety LOIT funds are used to cover the personnel costs of police officers and firefighters. Receipts of Public Safety LOIT tax revenue commenced in January 2010. The increase in fund balance in the amount

of \$1,150,400 during 2019 was due to increased revenue for this fund for police and fire personnel. The ending fund balance was \$2,987,477, or 36.7% of annual expenditures.

The **County Option Income Tax Fund (COIT)** and **Economic Development Income Tax Fund (EDIT)** funds are used to fund major capital and construction projects, economic development initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, certain city-wide expenditures such as major technology costs, and certain debt service payments.

The COIT fund balance increased by \$1,008,147 during 2019, due to an unanticipated excess income tax distribution. The City has operationally sequestered COIT funds for use in major capital and construction funding initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, city-wide expenditures like telephone and electricity for streetlights, and certain debt service payments.

As of December 31, 2019, the COIT Fund balance was \$12,643,539, or 149.8% of 2019 expenditures and transfers out. This level of fund reserves is significantly higher than the City policy target of 50%.

The EDIT Fund balance increased by \$2,441,982 during 2019 due to lower than anticipated expenses related to initiatives of Community Investment and an unanticipated excess income tax distribution. The City has operationally sequestered EDIT funds for use in major economic development initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, operational costs of the street, code enforcement and community investment departments and certain debt service payments.

As of December 31, 2019, the EDIT fund balance was \$17,708,502, or 298.1% of 2019 expenditures and transfers out. The City policy target is 50%.

The **Rainy Day Fund** is used to account for unused and unencumbered funds that are transferred from a fund that has a tax levy. Revenues in this fund also include special distributions of county option income tax and county economic development income tax. The ending fund balance at December 31, 2019 was \$10,770,099 or 3.9% of government-wide expenses during 2019, and meets the City's cash reserve policy goal of 3.0%.

The fund balance in the **River West TIF Fund** decreased by \$1,418,294 during 2019. This change was the result of spending down previously received TIF revenue on capital projects.

As of December 31, 2019, the River West TIF Fund balance was \$36,590,192, entirely restricted for use in economic development projects.

During 2019, the fund balances in **nonmajor governmental funds** decreased by \$27,823,243 due to the spend-down of previously issued bond proceeds on capital projects.

The total balance in nonmajor governmental funds was \$82,800,751 at December 31, 2019. These fund balances provide the necessary resources that the City requires to meet future capital construction needs, ongoing debt service obligations, and economic development project initiatives in order to fuel community growth within the City.

Individual fund data for each of the nonmajor governmental funds is provided in the form of the combining statements immediately following the Required Supplemental Information within the Financial Section of the CAFR.

Governmental Fund Revenue

The following schedule presents a summary of governmental fund revenue for the year ended December 31, 2019 with comparison to the prior year:

	<u>2019 Actual</u>	<u>% of Total</u>	<u>2018 Actual</u>	<u>% of Total</u>
Tax Based				
General Property	\$ 82,470,667	46.2%	\$ 80,155,902	47.4%
Local Income Tax	34,842,965	19.5%	33,527,962	19.8%
Hotel/Motel Tax	630,000	0.4%	-	0.0%
Total Tax	117,943,632	66.1%	113,683,864	67.2%
Non-Tax Based				
Licenses & Permits	284,048	0.2%	245,956	0.1%
Intergovernmental	31,987,992	17.9%	35,167,863	20.8%
Charges for Services	5,658,913	3.2%	5,735,251	3.4%
Fines and Forfeitures	1,124,570	0.6%	494,836	0.3%
Interest Income	5,136,772	2.9%	3,304,646	2.0%
Other	16,237,450	9.1%	10,554,893	6.2%
Total Non-Tax Based	60,429,745	33.9%	55,503,445	32.8%
Total Revenue	\$ 178,373,377	100.0%	\$ 169,187,309	100.0%

Tax revenue continues to represent the most significant source of revenue required to support services provided by the City. Property tax revenue is the primary source of funding for governmental expenditures. Property tax revenue is based on a relationship between two variables. The first variable is the net assessed property valuation of industrial, commercial and residential parcels for both real and personal property. The second variable is the application of a tax rate to arrive at the total tax levy. Taxable property is assessed at 100% of the true tax value. The amount of property tax levied (billed to property owners) is further restricted by State of Indiana-enacted property tax legislative reform, the so-called “circuit breaker” property tax caps in 2009, to no more than 1.0% (homestead), 2.0% (other residential/rental) or 3.0% (commercial/industrial) of gross assessed valuation. Property tax revenue includes taxes collected on behalf of the following funds: General Fund, Parks and Recreation Fund, Cumulative Capital Development Fund, Redevelopment Commission Tax Incremental Financing (TIF) Funds, and a special levy to cover debt service for City-issued Parks bonds.

The City recognizes the need to further diversify the revenue stream and to reduce its dependency on general property taxes to ensure that a broad base of users of city services, including nonresidents who work in the City, share in the funding of basic City services. As a result of the need to diversify the revenue stream, the City of South Bend Common Council, the City of Mishawaka Common Council, and Saint Joseph County Council (together comprising the local income tax council) have adopted a Local Income Tax rate of 1.75%. The Local Income Tax consists of four components: 0.50% for the expenditure rate–certified shares component (formerly the County Option Income Tax), 0.40% for the economic development component (formerly the Economic Development Income Tax), 0.25% for the public safety component (formerly the Public Safety Local Option Income Tax), and a 0.60% property tax relief component. The property tax relief component of the Local Income Tax does not result in any direct revenue to the City, but rather reduces circuit breaker property tax losses.

The City continues to seek diversified sources of revenue that will reduce its reliance on property and income taxes. One viable source of revenue is from user fees and/or charges for services currently being performed. City-performed services are priced at levels representing the full cost of service, taking into consideration fees charged by providers of similar services. The City performs ongoing reviews of user fee costs incurred and revises service fee prices as required.

Total tax revenue was \$117,943,632 during 2019 and increased by \$4,259,768, or 3.7%, from 2018. This increase was driven by an increase in normal tax distributions due to the continuing improvement in the overall economy as well as a one-time distribution in Local Income Tax revenue that occurred in 2019. Total non-tax-based revenue was \$60,429,745 and increased \$4,926,300, or 8.9%, from 2018. This is due primarily from an increase in interest and investment income, as well as certain payments received from insurance.

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, 2019 with comparison to fiscal year 2018.

	2019 Actual	% of Total	2018 Actual	% of Total
General Government	\$ 11,714,095	5.4%	\$ 12,763,226	6.9%
Public Safety	74,695,638	34.5%	75,530,051	40.6%
Highways and Streets	19,636,991	9.1%	16,906,126	9.1%
Community & Economic Development	20,706,436	9.6%	22,179,273	11.9%
Culture and Recreation	26,106,656	12.1%	16,597,764	8.9%
Debt Service	20,420,060	9.4%	18,983,039	10.2%
Capital Outlay	43,200,250	20.0%	23,240,519	12.5%
Total Expenditures	\$ 216,480,126	100.0%	\$186,199,998	100.0%

Governmental fund expenditures in fiscal 2019 of \$216,480,126 increased by \$30,280,128, or 16.3%, in comparison to governmental fund expenditures in fiscal 2018.

Capital outlay expenditures increased by \$19,959,731 or 85.9% during 2019 due primarily to the City’s “MySB Parks and Trails” initiative, which began in 2018 and will continue into 2020. This initiative is a significant capital investment.

Public Safety expenditures continue to be the primary use of government fund resources with 34.5% of expenditures used for this purpose in fiscal 2019. Public safety spending is followed by capital outlay expenditures (20.0%), culture and recreation (12.1%), community and economic development (9.6%), debt service (9.4%), highways and streets (9.1%), and general government (5.4%). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, Legal, Controller, and other administrative functions. Overall governmental expenditures increased during 2019, in part due to increases in public safety wages and benefits occurring in conjunction with a four-year collective bargaining agreement with the fraternal order of police. General government expenditures decreased during 2019 due to increases in efficiencies among administrative departments.

Proprietary funds

**Condensed Statement of Net Position
Revenue, Expenses, and Changes in Fund Net Position
As of December 31, 2019**

	Enterprise Funds					Governmental Activities Proprietary Internal Service
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	
Total assets	\$ 69,926,822	\$ 192,963,144	\$ 19,446,724	\$ 27,013,376	\$ 309,350,066	\$ 24,500,412
Total deferred outflows	61,641	1,425,556	-	-	1,487,197	-
Total liabilities	15,752,971	63,784,048	333,948	9,902,670	89,773,637	6,197,761
Total deferred inflows	1,020,743	-	47,917	-	1,068,660	-
Net Position						
Net investment in capital assets	39,556,598	91,566,761	16,603,459	7,562,176	155,288,994	(477,234)
Restricted:						
Debt service	289,490	1,091,452	-	-	1,380,942	-
Customer repair & deposit	1,291,844	414,550	-	-	1,706,394	-
Cash with fiscal agent	33,720	342,186	-	414,603	790,509	-
Bond reserve	1,399,159	4,291,915	-	-	5,691,074	-
Operating reserve	2,912,439	5,582,848	-	-	8,495,287	-
Capital outlay	4,211,080	9,417,064	981,681	2,027,139	16,636,964	-
Unrestricted	3,520,419	17,897,876	1,479,719	7,106,788	30,004,802	18,779,885
Total net position	53,214,749	130,604,652	19,064,859	17,110,706	219,994,966	18,302,651
Operating Revenues	20,406,057	41,324,779	3,268,026	14,233,418	79,232,280	41,787,836
Operating Expenses	15,392,358	30,285,289	5,419,345	18,538,581	69,635,573	41,938,132
Operating Income (Loss)	5,013,699	11,039,490	(2,151,319)	(4,305,163)	9,596,707	(150,296)
Non-Operating Revenue (Expenses)	(459,806)	(1,066,791)	1,237,662	(45,992)	(334,927)	492,138
Income (Loss) before Contributions & Transfers	4,553,893	9,972,699	(913,657)	(4,351,155)	9,261,780	341,842
Capital Contributions	173,745	9,602	683,912	843,503	1,710,762	-
Transfers in	-	200,000	-	4,063,540	4,263,540	-
Transfers Out	(1,722,624)	(4,738,366)	(90,752)	(480,649)	(7,032,391)	(600,000)
Change in Net Position	3,005,014	5,443,935	(320,497)	75,239	8,203,691	(258,158)
Total Net Position - Beginning	50,209,735	125,160,717	19,385,356	17,035,467	211,791,275	18,560,809
Total Net Position - Ending	\$ 53,214,749	\$ 130,604,652	\$ 19,064,859	\$ 17,110,706	\$ 219,994,966	\$ 18,302,651

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

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

The City maintains seven (7) internal service funds. The City 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, printing and other services provided to City departments on a cost-reimbursement basis). Because these services predominantly benefit governmental rather than business-type functions, they have been

included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. The internal service funds have been combined into a single, aggregated presentation.

As of December 31, 2019, City enterprise funds reported a net position of \$219,994,966, an increase of \$8,203,691, or 3.9%, from the net position at December 31, 2018.

At December 31, 2019, enterprise fund net position includes net investment in capital assets of \$155,288,994, restricted net position of \$34,701,170 and unrestricted net position of \$30,004,802.

During 2018, the **Water utility** experienced an increase in net position of \$3,005,014 and the **Wastewater utility** experienced an increase in net position of \$5,443,935. The Water utility experienced increased operating revenues of \$3,638,774 while the Wastewater utility experienced an increase in operating revenue of \$1,393,350. This was primarily due to a 22% rate increase in water rates that was approved by the South Bend Common Council in 2017 and went into effect in 2018 and 2019.

During 2019, **Century Center** experienced a decrease in net position of \$320,497. The Century Center is nearly always operating at a slight loss, and this decrease in net position was smaller than in previous years and better than projected.

Nonmajor Enterprise Funds experienced an increase in net position of \$75,239 during 2019. The **Parking Garage Fund** reported an increase in net position of \$702,966 primarily as the result of capital contributions paid for by the Major Moves Fund. The **Consolidated Building Fund** reported an increase in net position of \$140,353 during 2019. The **Solid Waste Fund** reported an increase in net position of \$2,857 and continues to accumulate capital lease debt to finance new trash trucks. **Emergency Medical Service** reported a decrease in net position of \$770,937 as a result of continually declining reimbursement for ambulance services, especially with respect to Medicaid patients.

Internal Services Funds reported net position of \$18,302,651 at December 31, 2019, a decrease of \$258,158, or 1.4%, compared to net position at December 31, 2018. The **Liability Insurance Fund** increased in net position by \$3,103,717 in 2019 as the result of insurance proceeds stemming from the 2018 flood. The **Central Services Fund** increased its net position by \$216,666. The **Self-Funded Employee Benefits Fund** decreased in net position by \$3,011,333 due to the intentional spend-down of fund balance in this fund. The **Innovation & Technology and 311 Call Center fund** is a fully allocated fund which supports most city departments. The Innovation & Technology and 311 Call Center Fund had a net position of \$1,813,516 at December 31, 2019, a decrease of \$490,667 over the end of 2018.

Fiduciary Funds

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

	<u>Pension Trust</u>	<u>Custodial</u>
Total Assets	\$ 1,039,559	\$ 1,192,799
Total Liabilities	171	1,192,799
Total Net Position	<u>1,039,388</u>	<u>-</u>
Total Additions	10,608,305	111,126,568
Total Deductions	10,833,654	111,126,568
Changes in Net Position	<u>\$(225,349)</u>	<u>\$ -</u>

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 and fire operating budgets.

General Fund Budgetary Highlights

The City prepares an annual budget for General Fund expenditures, which is subject to City of South Bend Common Council approval for adoption, before November 1 of the year preceding the budget period, according to state statute concerning the annual budget of second class cities and towns. The Common Council adopted the 2019 budget at its meeting held in October 2018.

The General Fund budget applicable for fiscal 2019 is reported as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenue / Transfers In	\$ 64,707,205	\$ 65,911,607	\$ 67,746,844	\$ 1,835,237
Expenditures / Transfers Out	64,707,205	66,355,336	63,071,065	\$ 3,284,271
Surplus (Deficit)	\$ -	\$ (443,729)	\$ 4,675,779	\$ 5,119,508

General Fund revenue/transfers in was originally budgeted at \$64,707,205 for fiscal 2019. During the year, the General Fund revenue/transfers in budget was increased by \$1,204,402 to \$65,911,607. The budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget with actual results, the City is able to increase the meaningfulness of its analysis. The revenue/transfers in budget was increased primarily due to an increase in the property tax estimate because of higher collections than anticipated.

During 2019, the General Fund collected \$67,746,844 in revenue/transfers in on a budgetary basis, which was \$3,039,639 higher than the original budget. This difference is 4.7% more than the original budget. This increase over budget is due mainly to higher-than-budgeted property tax receipts in 2019.

General Fund expenditures/transfers out were originally budgeted at \$64,707,205 for fiscal 2019. During the year, the General Fund expenditure/transfers out budgets were increased by \$1,648,131 to \$66,355,336. Additional appropriations were passed for Fire Department renovations and other purposes. Carry forward of unspent encumbrances from 2018 also increased the 2019 amended budget.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels. Budget amendments for cost-neutral redistribution between expense categories (i.e., personnel, supplies, services, capital) were submitted to Common Council four times during 2019, as required to adjust the budget to prevent any budget overruns in any expenditure category.

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

General Fund expenditures/transfers out incurred on a budgetary basis, including cash expended and outstanding encumbrances as of year-end December 31, 2019, amounted to \$63,071,065. The expenditures/transfers out and commitments as of year-end December 31, 2019 are less than the 2019 amended General Fund budget by \$3,284,271 or 4.94%. The largest savings were in the police and administration/finance department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors.

Capital Assets and Debt Administration

Statement of Capital Assets of the Primary Government

	Governmental Activities		Business-type Activities		Government-wide	
	2019	2018	2019	2018	2019	2018
Assets not depreciated						
Land	\$14,496,141	\$14,496,141	\$2,586,613	\$2,614,014	\$17,082,754	\$17,110,155
Construction in Progress	26,595,503	18,009,789	6,241,020	17,841,033	32,836,523	36,956,635
Total	41,091,643	32,505,930	8,827,633	20,455,047	49,919,277	54,066,790
Assets depreciated						
Buildings	129,152,007	120,384,084	85,371,558	83,425,676	214,523,566	203,809,760
Non-building improvements	21,454,732	21,052,069	26,920,828	26,873,450	48,375,560	47,925,519
Machinery and Equipment	48,243,704	48,608,151	44,777,958	43,574,154	93,021,662	92,182,305
Roads and Infrastructure	478,788,961	468,753,379	233,323,602	216,476,719	712,112,563	685,230,098
Total Cost	677,639,404	658,797,683	390,393,947	370,349,999	1,068,033,351	1,029,147,682
Accumulated Depreciation						
Buildings	55,005,394	52,451,586	40,325,666	38,629,055	95,331,060	91,080,641
Non-building improvements	11,680,799	10,967,455	9,801,239	8,608,656	21,482,038	19,576,111
Machinery and Equipment	34,237,386	33,842,342	26,945,733	25,771,251	61,183,119	59,613,593
Roads and Infrastructure	340,699,917	327,964,417	84,342,115	79,317,195	425,042,032	407,281,612
Total Accumulated Depreciation	441,623,496	425,225,800	161,414,752	152,326,157	603,038,248	577,551,957
Net Depreciated Assets	236,015,908	233,571,883	228,979,195	218,023,842	464,995,103	451,595,725
Net Capital Assets	\$277,107,551	\$266,077,813	\$237,806,828	\$238,478,889	\$514,914,379	\$505,662,515

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

Under the category of roads and infrastructure, the current cost amount of \$712,112,563 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 2019

Included in capital asset additions for 2019 were the following major projects:

- Wastewater: Secondary Treatment Improvement (\$16,071,306)
- Venues Parks & Arts Construction in Progress: Howard Park improvements (\$17,568,687)
- Venues Parks & Arts: Charles Black renovations (\$4,406,949)
- Streets: Dr. MLK Jr Streetscape improvements (\$3,818,000)
- Fire Department: Fire Station #4 (\$3,351,062)

Capital Assets Analysis

As of December 31, 2019, government-wide capital assets were valued at \$514,914,379, net of accumulated depreciation, an increase of \$7,015,731, or 1.83%, since December 31, 2018. Construction in Progress decreased by \$4,120,112, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads increased by \$13,371,976, net of depreciation, since December 31, 2018.

At December 31, 2019, the cost of Roads & Infrastructure (\$712,112,563) was the major asset class followed by Buildings (\$214,523,566) and Machinery & Equipment (\$93,021,662).

Total depreciation expense was \$32,649,270 for 2019, as compared to \$31,715,747 for 2018. Depreciation expense was \$20,379,357 for governmental activities and \$12,269,913 for business-type activities for 2019.

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, 2019 was \$244,349,532, a decrease of \$15,470,467, or 5.95% from 2018. City outstanding debt includes general obligation bonds, revenue bonds, mortgage bonds, notes and loans payable and capital leases.

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
Governmental Activities				
General Obligation Bonds	\$ 18,737,645	\$ -	\$ (942,298)	\$ 17,795,347
Revenue Bonds	120,483,913	9,447,841	(7,538,423)	122,393,330
Mortgage Bonds	8,300,854	-	(1,986,658)	6,314,196
Notes and Loans	4,108,822	-	(347,671)	3,761,150
Capital Leases	12,832,195	1,632,870	(4,042,727)	10,422,338
Total Governmental Activities Debt	164,463,430	11,080,711	(14,857,778)	160,686,361
Business-Type Activities				
Revenue Bonds	80,178,104	2,814,257	(12,281,925)	70,710,436
Mortgage Bonds	4,951,978	-	(315,534)	4,636,444
Notes and Loans	2,231,783	-	(215,694)	2,016,089
Capital Leases	7,994,705	798,498	(2,493,001)	6,300,202
Total Business-Type Activities Debt	95,356,570	3,612,755	(15,306,154)	83,663,171
Total Debt	<u>\$ 259,820,000</u>	<u>\$ 14,693,465</u>	<u>\$(30,163,932)</u>	<u>\$ 244,349,532</u>

During 2019, the City entered into capital lease agreements in the amount of \$2,431,368 to purchase certain vehicles, copiers, and equipment. The lease terms are typically for five years with semi-annual debt service paid from the operating budgets of the user departments. Capital lease financing is used to acquire police vehicles, public works vehicles, computer replacements, copiers and other vehicles and equipment. The City solicits competitive financing proposals for lease financing from local and national companies and the interest rate achieved during 2019 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 a lease rental revenue bond in 2019 related to the construction of new

tracks for the South Shore railway, which is owned by the Northern Indiana Commuter Transportation District (NICTD). This debt issuance of \$9,250,000 is not subject to this debt limitation. A calculation of the City's legal debt limitation can be found in the statistical debt capacity section of this document.

Additional information on debt can be found in the Notes to Financial Statements in Note 8 - Leases and Note 9 - Long-term Debt.

Significant Subsequent Events

In March 2020, the United States of America, the State of Indiana, and local county and city governments declared states of emergency related to the outbreak of the COVID-19 virus. This pandemic and the resulting impact on the local economy will have far-reaching effects on the City's financial condition, including the potential for the loss of future tax revenue and charges for services revenue, as well as increased expenses related to the response to, cleanup of, and economic recovery from the virus. The City continues to monitor and track the financial impact of this situation.

Economic Factors and 2019 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 2019, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$35.9 million in taxable property tax levy due to the circuit breaker caps (Indiana Legislative Services Agency, Circuit Breaker Report, May 2019).

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.

City Management believes that the national economic recovery will continue for at least the next year, with low inflation over the next fiscal period. However, the City anticipates that the economy will slow sometime

in the next 2-5 years, and is actively taking steps to alleviate negative impacts of an economic downturn (such as building cash reserves and implementing sustainable alternative revenue sources)

Job creation is the primary engine to drive economic recovery. The City anticipates significant financial difficulties in the economy in the latter part of 2020, stemming mainly from the outbreak of the COVID-19 virus. Therefore, the 2020 budget and the budgets for future will likely be amended to reflect lower revenue estimates and increased need for economic stimulus.

2020 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 with the Center for Priority Based Budgeting for the 2019 and 2020 budgets. This program budgeting is in addition to the state-required fund and account budgeting through the Indiana Department of Local Government Finance.

The City's fiscal responsibility is also preparing it for significant financial challenges in fiscal year 2020. Preliminary projections of circuit breaker property tax losses indicate a potential decline of property tax revenue of \$1.6 million in the General Fund, \$400,000 in the Parks & Recreation Fund and \$3.8 million in the Tax Increment Financing funds in fiscal year 2020. This is due to the expiration of a special credit to local governments in Saint Joseph County and Lake County, which decreased the losses that the City experienced through the Circuit Breaker Tax Credit. City Management is aware of this fiscal situation and has developed strategies to address this matter, including maintaining strong reserves, redesigning capital budgeting strategies, and ensuring that new spending is supported by new, sustainable revenue.

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 2021 that will remain fiscally responsible to the effective delivery of required services to city residents and stakeholders within the existing revenue constraints, as well as new revenue constraints imposed by the uncertain economic conditions we now face.

Specific concerns for the 2021 budget include the continuing impact of circuit breaker property tax reform on City revenue, the need for economic stimulus in our city and the need to address ever-increasing public safety costs, high health and pension costs and other stagnant or declining revenue sources such as gasoline, wheel and auto excise taxes.

Requests for Information

This Management's Discussion and Analysis, as contained within the City of South Bend Comprehensive Annual Financial Report, is intended to provide readers with a general overview of the financial condition of the City of South Bend as of December 31, 2019.

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

City of South Bend
June 30, 2020

December 31, 2019

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 78,707,560	\$ 9,243,698	\$ 87,951,258	\$ 271,478
Investments	144,980,441	18,054,808	163,035,249	-
Receivables:				
Accounts	2,463,455	5,808,871	8,272,326	106,852
Interest	673,685	195,362	869,047	-
Allowance for doubtful accounts	-	(160,100)	(160,100)	-
Intergovernmental	353,751	-	353,751	-
Loans	6,426,532	-	6,426,532	242,750
Lease	-	-	-	1,145,205
Internal balances	(33,387)	33,387	-	-
Inventory	925,897	975,743	1,901,640	441,384
Prepaid expenses	932,816	16,356	949,172	-
Restricted assets	64,678	37,362,543	37,427,221	-
Property held for resale	8,993,197	-	8,993,197	-
Capital assets:				
Assets not subject to depreciation	41,091,643	8,827,633	49,919,276	1,622,941
Assets subject to depreciation - net	236,015,908	228,979,195	464,995,103	28,774,409
Total assets	521,596,176	309,337,496	830,933,672	32,605,019
Deferred outflows of resources				
Unamortized loss on refunding	1,880,927	1,487,197	3,368,124	-
Deferred outflows related to pensions	11,049,619	-	11,049,619	137,947
Deferred outflows related to OPEB	1,230,539	-	1,230,539	-
Total deferred outflows of resources	14,161,085	1,487,197	15,648,282	137,947
Liabilities				
Accounts payable	7,158,244	2,395,352	9,553,596	260,540
Due to other governmental units	-	10,824	10,824	-
Performance deposits payable	111,540	7,000	118,540	-
Accrued liabilities and other:				
Accrued payroll payable	2,698,841	515,954	3,214,795	40,173
Accrued interest payable	2,166,416	497,569	2,663,985	-
Taxes payable	1,261	78,572	79,833	-
Customer deposits payable	3,065,972	1,760,365	4,826,337	-
Unearned revenue	-	711	711	118,858
Other current payables	98,724	215,178	313,902	115,250
Noncurrent liabilities:				
Due within one year:				
Compensated absences	6,282,709	616,372	6,899,081	274,946
Claims payable	2,771,618	-	2,771,618	-
Notes and loans payable	355,246	199,656	554,902	548,828
General obligation bonds payable	980,000	-	980,000	-
Mortgage bonds payable	1,931,280	318,720	2,250,000	-
Capital leases	3,816,805	2,560,264	6,377,069	-
Revenue bonds payable	7,231,441	6,935,000	14,166,441	-

Statement of Net Position (Continued)

December 31, 2019

	Governmental Activities	Business-type Activities	Total	Component Unit
Liabilities (continued)				
Due in more than one year:				
Notes and loans payable	3,405,904	1,816,433	5,222,337	307,529
General obligation bonds payable	16,815,347	-	16,815,347	-
Mortgage bonds payable	4,382,916	4,317,724	8,700,640	-
Capital leases	6,605,533	3,739,938	10,345,471	-
Revenue bonds payable	115,161,889	63,775,435	178,937,324	-
Net pension liability	171,967,397	-	171,967,397	875,060
Total OPEB liability	24,461,814	-	24,461,814	-
Total liabilities	381,470,897	89,761,067	471,231,964	2,541,184
Deferred inflows of resources				
Unamortized service agreement	-	47,917	47,917	-
Unamortized gain on refunding	-	1,020,743	1,020,743	-
Deferred inflows related to pensions	12,486,614	-	12,486,614	816,127
Deferred inflows related to OPEB	7,196,643	-	7,196,643	-
Total deferred inflows of resources	19,683,257	1,068,660	20,751,917	816,127
Net position				
Net investment in capital assets	123,340,793	155,288,994	278,629,787	30,351,397
Restricted:				
Debt service	11,332,302	1,380,942	12,713,244	-
Customer repair and deposit	-	1,706,394	1,706,394	-
Cash with fiscal agent	-	790,509	790,509	-
Bond reserve	-	5,691,074	5,691,074	-
Operating reserve	-	8,495,287	8,495,287	-
Capital outlay	-	16,636,964	16,636,964	-
Unrestricted	(69,988)	30,004,802	29,934,814	(965,742)
Total net position	\$ 134,603,107	\$ 219,994,966	\$ 354,598,073	\$ 29,385,655

Functions/programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 10,915,147	\$ 452,796	\$ 280,560	\$ -	\$ (10,181,791)	\$ -	\$ (10,181,791)	\$ -
Public safety	92,017,691	521,835	10,983,558	-	(80,512,298)	-	(80,512,298)	-
Highways and streets	27,114,327	244,790	779,200	-	(26,090,337)	-	(26,090,337)	-
Community and economic development	44,698,518	199,405	2,628,590	-	(41,870,523)	-	(41,870,523)	-
Culture and recreation	24,641,558	4,240,087	30,000	3,605,801	(16,765,670)	-	(16,765,670)	-
Interest on long-term debt	5,746,755	-	-	-	(5,746,755)	-	(5,746,755)	-
Total governmental activities	205,133,996	5,658,913	14,701,908	3,605,801	(181,167,374)	-	(181,167,374)	-
Business-type activities:								
Water utility	16,268,059	20,440,181	-	173,745	-	4,345,867	4,345,867	-
Wastewater utility	32,482,382	41,324,779	-	9,602	-	8,851,999	8,851,999	-
Century center	5,469,673	3,268,026	-	683,912	-	(1,517,735)	(1,517,735)	-
Consolidated building	4,329,275	2,043,272	-	-	-	(2,286,003)	(2,286,003)	-
Parking garage	1,178,641	1,004,401	-	843,503	-	669,263	669,263	-
Solid waste	5,481,420	5,465,311	-	-	-	(16,109)	(16,109)	-
Emergency medical services	7,864,987	5,720,434	-	-	-	(2,144,553)	(2,144,553)	-
Total business-type activities	73,074,437	79,266,404	-	1,710,762	-	7,902,729	7,902,729	-
Total primary government	\$ 278,208,433	\$ 84,925,317	\$ 14,701,908	\$ 5,316,563	(181,167,374)	7,902,729	(173,264,645)	-
Component unit:								
South Bend Public Transportation Corp.	\$ 13,824,067	\$ 1,437,390	\$ 4,529,201	\$ -	\$ -	\$ -	\$ -	\$ (7,857,476)
General revenue:								
Taxes:								
Property taxes					82,470,667	-	82,470,667	4,220,655
Income taxes					34,842,965	-	34,842,965	-
Hotel/motel taxes					630,000	1,275,000	1,905,000	-
State-shared revenue					13,680,283	-	13,680,283	-
Unrestricted investment income					5,136,772	1,784,206	6,920,978	15,773
Gain on sale of capital assets					-	10,607	10,607	-
Other miscellaneous income					17,646,068	-	17,646,068	740,759
Total general revenue					154,406,755	3,069,813	157,476,568	4,977,187
Transfers					2,768,851	(2,768,851)	-	-
Change in net position					(23,991,768)	8,203,691	(15,788,077)	(2,880,289)
Net position - Beginning of year (restated)					158,594,875	211,791,275	370,386,150	32,265,944
Net position - End of year					\$ 134,603,107	\$ 219,994,966	\$ 354,598,073	\$ 29,385,655

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Assets									
Cash and cash equivalents	\$ 13,289,026	\$ 1,134,442	\$ 973,750	\$ 3,808,078	\$ 5,204,189	\$ 3,212,171	\$ 9,969,178	\$ 35,177,177	\$ 72,768,011
Investments	31,582,202	2,515,102	2,280,037	8,916,619	12,185,277	7,521,303	20,981,025	45,175,589	131,157,154
Receivables:									
Accounts	410,652	68,665	-	6	354,660	-	-	100,091	934,074
Interest	136,403	8,446	11,140	44,983	61,345	36,625	96,198	212,371	607,511
Intergovernmental	39,287	-	-	-	-	-	-	314,464	353,751
Loans	-	-	-	-	-	-	675,000	5,751,532	6,426,532
Due from other funds	-	31,500	-	-	-	-	-	-	31,500
Advances to other funds	-	-	-	420,253	-	-	-	2,488,902	2,909,155
Inventory	-	15,686	-	-	-	-	-	-	15,686
Property held for resale	-	-	-	175,000	270,001	-	5,734,873	2,813,323	8,993,197
Total assets	\$ 45,457,570	\$ 3,773,841	\$ 3,264,927	\$ 13,364,939	\$ 18,075,472	\$ 10,770,099	\$ 37,456,274	\$ 92,033,449	\$ 224,196,571
Liabilities									
Accounts payable	\$ 327,870	\$ 845,705	\$ -	\$ 721,400	\$ 329,007	\$ -	\$ 713,057	\$ 2,964,592	\$ 5,901,631
Due to other funds	19,205	10,919	-	-	31,963	-	-	74,456	136,543
Advances from other funds	-	-	-	-	-	-	100,000	2,809,155	2,909,155
Performance deposits payable	68,950	-	-	-	6,000	-	23,025	13,565	111,540
Accrued liabilities and other:									
Accrued payroll payable	1,704,582	266,284	277,450	-	-	-	-	277,337	2,525,653
Taxes payable	521	740	-	-	-	-	-	-	1,261
Other current payables	36,842	4,261	-	-	-	-	30,000	27,621	98,724
Customer deposits	-	-	-	-	-	-	-	3,065,972	3,065,972
Total liabilities	2,157,970	1,127,909	277,450	721,400	366,970	-	866,082	9,232,698	14,750,479
Fund balances									
Nonspendable	-	15,686	-	-	-	-	-	-	15,686
Restricted	-	2,630,246	2,987,477	-	-	-	36,590,192	77,010,483	119,218,398
Committed	-	-	-	-	-	-	-	4,495,457	4,495,457
Assigned	820,834	-	-	12,643,539	17,708,502	10,770,099	-	1,352,663	43,295,637
Unassigned	42,478,766	-	-	-	-	-	-	(57,852)	42,420,914
Total fund balances	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	82,800,751	209,446,092
Total liabilities and fund balances	\$ 45,457,570	\$ 3,773,841	\$ 3,264,927	\$ 13,364,939	\$ 18,075,472	\$ 10,770,099	\$ 37,456,274	\$ 92,033,449	\$ 224,196,571

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2019

Fund balances reported in governmental funds	\$ 209,446,092
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	275,916,280
Prepaid expenses are not available to pay for current period expenditures, and therefore are deferred in the funds	30,001
Deferred outflows on refunding are not due and payable in the current period and are not reported in the funds	1,880,927
Deferred outflows related to pensions are not due and payable in the current period and are not reported in the funds	11,049,619
Deferred outflows related to OPEB are not due and payable in the current period and are not reported in the funds	1,230,539
Notes and loans payable, mortgage bonds payable, revenue bonds payable, and capital leases are not due and payable in the current period and are not reported in the funds	(158,953,178)
Accrued interest is not due and payable in the current period and is not reported in the funds	(2,156,676)
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	(6,030,680)
Net pension liabilities do not present a claim on current financial resources and are not reported as fund liabilities	(171,967,397)
Total OPEB liability does not present a claim on current financial resources and is not reported as fund liability	(24,461,814)
Deferred inflows of resources related to pensions do not present a claim on current financial resources and are not reported as fund liabilities	(12,486,614)
Deferred inflows of resources related to OPEB do not present a claim on current financial resources and are not reported as fund liabilities	(7,196,643)
Internal service funds are included as part of governmental activities	<u>18,302,651</u>
Change in net position of governmental activities	<u>\$ 134,603,107</u>

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

December 31, 2019

	General	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Revenue									
Property taxes	\$ 42,705,987	\$ 10,048,047	\$ -	\$ -	\$ -	\$ -	\$ 18,555,308	\$ 11,161,325	\$ 82,470,667
Income taxes	-	-	9,205,130	12,879,847	12,673,893	-	-	84,095	34,842,965
Hotel/motel taxes	-	-	-	-	-	-	395,000	235,000	630,000
Licenses and permits	280,898	-	-	-	-	-	-	3,150	284,048
Intergovernmental	15,701,473	4,526,393	-	12,500	-	-	41,206	11,706,420	31,987,992
Charges for services	1,631,092	2,651,303	-	-	-	-	2,160	1,374,358	5,658,913
Fines and forfeitures	24,258	-	-	-	709,320	-	-	390,992	1,124,570
Investment income	950,609	139,253	82,795	364,177	486,150	301,373	773,030	2,039,385	5,136,772
Other revenue	10,579,197	2,035,607	-	28,778	156,231	-	109,336	3,328,301	16,237,450
Total revenue	71,873,514	19,400,603	9,287,925	13,285,302	14,025,594	301,373	19,876,040	30,323,026	178,373,377
Expenditures									
Current:									
General government	6,026,645	-	-	4,818,658	288,426	-	-	580,366	11,714,095
Public safety	62,137,788	-	8,137,525	380,612	2,818,011	-	-	1,221,702	74,695,638
Highways and streets	3,299,842	-	-	158,648	445,439	-	-	15,733,062	19,636,991
Community and economic development	-	-	-	1,041,696	1,973,826	-	11,954,907	5,736,007	20,706,436
Culture and recreation	1,467,159	24,238,433	-	392,388	-	-	-	8,676	26,106,656
Bond issuance costs	-	-	-	-	-	-	-	293,022	293,022
Capital outlay	-	-	-	-	-	-	-	43,200,250	43,200,250
Debt service:									
Principal	151,720	456,371	-	1,557,180	233,538	-	3,938,315	7,787,466	14,124,590
Interest on long-term debt	6,245	43,326	-	90,721	180,941	-	1,197,275	4,483,940	6,002,448
Total expenditures	73,089,399	24,738,130	8,137,525	8,439,903	5,940,181	-	17,090,497	79,044,491	216,480,126
Excess of revenue (under) over expenditures	(1,215,885)	(5,337,527)	1,150,400	4,845,399	8,085,413	301,373	2,785,543	(48,721,465)	(38,106,749)
Other financing sources (uses)									
Issuance of debt	-	168,970	-	-	-	-	-	8,619,487	8,788,457
Premium on debt	-	-	-	-	-	-	-	1,462,841	1,462,841
Proceeds from sale of capital assets	44,170	8,160	-	-	4,395	-	-	10,511	67,236
Transfers in	6,475,990	410,868	-	927,077	178,534	-	62,261	19,424,705	27,479,435
Transfers out	(634,475)	-	-	(4,764,329)	(5,826,360)	-	(4,266,098)	(8,619,322)	(24,110,584)
Total other financing sources (uses)	5,885,685	587,998	-	(3,837,252)	(5,643,431)	-	(4,203,837)	20,898,222	13,687,385
Net change in fund balances	4,669,800	(4,749,529)	1,150,400	1,008,147	2,441,982	301,373	(1,418,294)	(27,823,243)	(24,419,364)
Fund balances - Beginning of year (restated)	38,629,800	7,395,461	1,837,077	11,635,392	15,266,520	10,468,726	38,008,486	110,623,994	233,865,456
Fund balances - End of year	\$ 43,299,600	\$ 2,645,932	\$ 2,987,477	\$ 12,643,539	\$ 17,708,502	\$ 10,770,099	\$ 36,590,192	\$ 82,800,751	\$ 209,446,092

Governmental Funds
 Reconciliation of the Statement of Revenue, Expenditures, and Changes
 in Fund Balances of Governmental Funds
 December 31, 2019

Net change in fund balances - Total governmental funds	\$ (24,419,364)
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	31,581,491
Depreciation expense	(20,254,801)
Net book value of assets disposed and transferred	(202,295)
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	14,148
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 longterm liabilities in the statement of net position	(8,788,457)
Premium on debt proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(1,462,841)
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	14,124,590
Other adjustments related to debt premiums, discounts, deferred inflows, and deferred outflows	229,281
Changes in accrued interest payable and other	22,717
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	51,388
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	(592,826)
Changes in the net pension asset, net pension liabilities, and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	(14,036,641)
Internal service funds are included as part of governmental activities - Net change in position	<u>(258,158)</u>
Change in net position of governmental activities	<u>\$ (23,991,768)</u>

December 31, 2019

	Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Activities Proprietary Internal Service
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,258,242	\$ 4,648,767	\$ 1,534,199	\$ 1,802,490	\$ 9,243,698	\$ 5,939,549
Investments	2,946,176	10,885,094	3,007	4,220,531	18,054,808	13,823,287
Receivables:						
Accounts	1,109,042	2,494,435	276,741	1,928,653	5,808,871	1,529,381
Interest	50,039	117,631	7	27,685	195,362	66,174
Allowance for doubtful accounts	(50,000)	(85,100)	-	(25,000)	(160,100)	-
Due from other funds	45,957	-	-	-	45,957	73,046
Inventory	767,993	166,478	41,272	-	975,743	910,211
Prepaid expenses	1,012	8,989	6,355	-	16,356	902,815
Total current assets	6,128,461	18,236,294	1,861,581	7,954,359	34,180,695	23,244,463
Noncurrent assets:						
Restricted assets	10,091,647	23,289,523	981,684	2,999,689	37,362,543	64,678
Capital assets:						
Assets not subject to depreciation	1,645,426	5,028,659	713,434	1,440,114	8,827,633	-
Assets subject to depreciation	52,061,288	146,408,668	15,890,025	14,619,214	228,979,195	1,191,271
Total noncurrent assets	63,798,361	174,726,850	17,585,143	19,059,017	275,169,371	1,255,949
Total assets	69,926,822	192,963,144	19,446,724	27,013,376	309,350,066	24,500,412
Deferred outflows of resources						
Unamortized loss on refunding	61,641	1,425,556	-	-	1,487,197	-
Liabilities						
Current liabilities:						
Accounts payable	580,575	1,143,304	52,142	619,331	2,395,352	1,256,613
Due to other governmental units	-	-	-	10,824	10,824	-
Due to other funds	-	5,085	4,281	3,204	12,570	1,390
Performance deposits payable	-	-	-	7,000	7,000	-
Accrued liabilities and other:						
Accrued payroll payable	164,572	242,345	19,803	89,234	515,954	173,188
Accrued interest payable	261,307	149,665	-	86,597	497,569	9,740
Taxes payable	64,727	759	13,086	-	78,572	-
Customer deposits payable	1,282,166	410,758	67,441	-	1,760,365	-
Unearned revenue	-	711	-	-	711	-
Other current payables	-	-	138,509	76,669	215,178	-
Compensated absences	208,474	270,834	38,686	98,378	616,372	252,029
Claims payable	-	-	-	-	-	2,771,618
Notes and loans payable	23,099	176,557	-	-	199,656	-
Mortgage bonds payable	-	78,720	-	240,000	318,720	-
Capital leases	402,017	523,737	-	1,634,510	2,560,264	545,753
Revenue bonds payable	1,035,000	5,900,000	-	-	6,935,000	-
Total current liabilities	4,021,937	8,902,475	333,948	2,865,747	16,124,107	5,010,331
Noncurrent liabilities:						
Notes and loans payable	244,589	1,571,844	-	-	1,816,433	-
Mortgage bonds payable	-	40,124	-	4,277,600	4,317,724	-
Capital leases	497,719	482,896	-	2,759,323	3,739,938	1,187,430
Revenue bonds payable	10,988,726	52,786,709	-	-	63,775,435	-
Total noncurrent liabilities	11,731,034	54,881,573	-	7,036,923	73,649,530	1,187,430
Total liabilities	15,752,971	63,784,048	333,948	9,902,670	89,773,637	6,197,761

	Enterprise Funds				Total	Governmental Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Proprietary Internal Service
Deferred inflows of resources						
Unamortized service agreement	-	-	47,917	-	47,917	-
Unamortized gain on refunding	1,020,743	-	-	-	1,020,743	-
Total deferred inflows of resources	1,020,743	-	47,917	-	1,068,660	-
Net position						
Net investment in capital assets	39,556,598	91,566,761	16,603,459	7,562,176	155,288,994	(477,234)
Restricted:						
Debt service fund	289,490	1,091,452	-	-	1,380,942	-
Customer repair and deposit fund	1,291,844	414,550	-	-	1,706,394	-
Cash with fiscal agent	33,720	342,186	-	414,603	790,509	-
Bond reserve fund	1,399,159	4,291,915	-	-	5,691,074	-
Operating reserve fund	2,912,439	5,582,848	-	-	8,495,287	-
Capital outlay fund	4,211,080	9,417,064	981,681	2,027,139	16,636,964	-
Unrestricted	3,520,419	17,897,876	1,479,719	7,106,788	30,004,802	18,779,885
Total net position	\$ 53,214,749	\$ 130,604,652	\$ 19,064,859	\$ 17,110,706	\$ 219,994,966	\$ 18,302,651

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

December 31, 2019

	Enterprise Funds					Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Activities Proprietary Internal Service
Operating revenue						
Metered revenue	\$ 13,915,025	\$ 40,041,105	\$ -	\$ -	\$ 53,956,130	\$ -
Convention fees	-	-	3,092,797	-	3,092,797	-
Fire protection revenue	2,881,785	-	-	-	2,881,785	-
Licenses and permits	-	-	-	2,029,442	2,029,442	-
Interest and penalty charges	83,219	568,202	-	-	651,421	-
Parking fees	-	-	99,493	988,355	1,087,848	-
Solid waste fees	-	-	-	5,463,922	5,463,922	-
Employee/employer contributions	-	-	-	-	-	25,431,560
Charges for sales and services	-	-	-	5,711,959	5,711,959	13,487,052
Water leak insurance revenue	1,039,109	-	-	-	1,039,109	-
Charges to other funds	1,734,889	396,831	66,045	-	2,197,765	-
Other	752,030	318,641	9,691	39,740	1,120,102	2,869,224
Total operating revenue	20,406,057	41,324,779	3,268,026	14,233,418	79,232,280	41,787,836
Operating expenses						
Cost of water	3,342,420	-	-	-	3,342,420	-
Cost of sewage treatment	-	16,523,567	-	-	16,523,567	-
Other operation and maintenance	597,817	887,896	49,674	15,076,265	16,611,652	22,964,358
General and administration	6,949,797	5,417,142	4,305,252	1,685,325	18,357,516	917,103
Insurance claims and premiums	-	-	-	-	-	17,932,116
Plumbing contractors	1,076,542	-	-	-	1,076,542	-
Customer service	1,453,962	-	-	-	1,453,962	-
Depreciation	1,971,820	7,456,684	1,064,419	1,776,991	12,269,914	124,555
Total operating expenses	15,392,358	30,285,289	5,419,345	18,538,581	69,635,573	41,938,132
Operating income (loss)	5,013,699	11,039,490	(2,151,319)	(4,305,163)	9,596,707	(150,296)
Nonoperating revenue (expenses)						
Investment income	381,771	1,130,302	12,990	259,143	1,784,206	549,579
Hotel/motel tax revenue	-	-	1,275,000	-	1,275,000	-
Interest expense	(808,866)	(2,023,789)	-	(272,849)	(3,105,504)	(59,773)
(Loss) gain on sale of assets	(66,835)	(173,304)	(50,328)	(32,286)	(322,753)	2,332
Other nonoperating revenue (expenses)	34,124	-	-	-	34,124	-
Total nonoperating revenues (expenses)	(459,806)	(1,066,791)	1,237,662	(45,992)	(334,927)	492,138
Income (loss) - before contributions and transfers	4,553,893	9,972,699	(913,657)	(4,351,155)	9,261,780	341,842
Capital contributions - Other capital contributions	173,745	9,602	683,912	843,503	1,710,762	-
Transfers in	-	200,000	-	4,063,540	4,263,540	-
Transfers out	(1,722,624)	(4,738,366)	(90,752)	(480,649)	(7,032,391)	(600,000)
Changes in net position	3,005,014	5,443,935	(320,497)	75,239	8,203,691	(258,158)
Net position - Beginning of year (restated)	50,209,735	125,160,717	19,385,356	17,035,467	211,791,275	18,560,809
Net position - End of year	\$ 53,214,749	\$ 130,604,652	\$ 19,064,859	\$ 17,110,706	\$ 219,994,966	\$ 18,302,651

Proprietary Funds
Statement of Cash Flows
December 31, 2019

	Enterprise Funds				Total	Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Internal Service Fund
Cash flows from operating activities						
Receipts from customers and users	\$ 18,435,279	\$ 41,069,686	\$ 3,170,995	\$ 14,212,383	\$ 76,888,343	\$ 20,207,586
Receipts from interfund services and reimbursements	1,718,928	407,211	66,045	-	2,192,184	20,081,917
Payments to suppliers	(6,466,209)	(9,949,579)	(2,316,219)	(5,312,855)	(24,044,862)	(34,986,089)
Payments to employees	(4,574,485)	(6,566,452)	(1,827,225)	(9,345,017)	(22,313,179)	(5,312,531)
Internal activity - payments to other funds	<u>(1,989,732)</u>	<u>(5,750,830)</u>	<u>(162,303)</u>	<u>(2,159,071)</u>	<u>(10,061,936)</u>	<u>(743,920)</u>
Net cash provided by (used in) operating activities	<u>7,123,781</u>	<u>19,210,036</u>	<u>(1,068,707)</u>	<u>(2,604,560)</u>	<u>22,660,550</u>	<u>(753,037)</u>
Cash flows from noncapital financing activities						
Transfers from other funds	-	200,000	-	4,063,540	4,263,540	-
Hotel/motel tax	-	-	1,275,000	-	1,275,000	-
Transfers to other funds	(1,722,624)	(4,738,366)	(90,752)	(480,649)	(7,032,391)	(600,000)
Other nonoperating revenue	<u>34,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,124</u>	<u>-</u>
Net cash (used in) provided by noncapital financing activities	<u>(1,688,500)</u>	<u>(4,538,366)</u>	<u>1,184,248</u>	<u>3,582,891</u>	<u>(1,459,727)</u>	<u>(600,000)</u>
Cash flows from capital and related financing activities						
Proceeds from capital debt contributions	173,745	9,602	-	-	183,347	-
Proceeds from capital debt issued for future capital purchase	-	-	-	798,498	798,498	40,000
Proceeds from sales of capital assets	6,670	18,837	-	22,781	48,288	4,278
Purchase of capital assets	(1,437,304)	(6,007,864)	-	(1,890,499)	(9,335,667)	(31,846)
Principal paid on capital debt	(3,050,735)	(6,571,402)	-	(1,767,203)	(11,389,340)	(408,700)
Interest paid on capital debt	<u>(819,359)</u>	<u>(1,875,178)</u>	<u>-</u>	<u>(283,755)</u>	<u>(2,978,292)</u>	<u>(53,727)</u>
Net cash (used in) provided by capital and related financing activities	<u>(5,126,983)</u>	<u>(14,426,005)</u>	<u>-</u>	<u>(3,120,178)</u>	<u>(22,673,166)</u>	<u>(449,995)</u>
Cash flows from investing activities						
Interest received on investments	369,909	1,103,391	13,034	260,451	1,746,785	541,187
Proceeds from sale and maturities of investment securities	<u>(813,873)</u>	<u>(2,234,592)</u>	<u>12,516</u>	<u>654,695</u>	<u>(2,381,254)</u>	<u>(110,965)</u>
Net cash provided by (used in) investing activities	<u>(443,964)</u>	<u>(1,131,201)</u>	<u>25,550</u>	<u>915,146</u>	<u>(634,469)</u>	<u>430,222</u>
Net (decrease) increase in cash and cash equivalents	<u>(135,666)</u>	<u>(885,536)</u>	<u>141,091</u>	<u>(1,226,701)</u>	<u>(2,106,812)</u>	<u>(1,372,810)</u>
Cash and cash equivalents - beginning of year	<u>4,437,630</u>	<u>15,751,349</u>	<u>2,374,792</u>	<u>4,217,425</u>	<u>26,781,196</u>	<u>7,377,037</u>
Cash and cash equivalents - end of year	<u>\$ 4,301,964</u>	<u>\$ 14,865,813</u>	<u>\$ 2,515,883</u>	<u>\$ 2,990,724</u>	<u>\$ 24,674,384</u>	<u>\$ 6,004,227</u>

Proprietary Funds
Statement of Cash Flows (Continued)
December 31, 2019

	Enterprise Funds				Total	Governmental
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise		Activities
						Proprietary
					Internal Service Fund	
Classification of cash and cash equivalents						
Cash and investments	\$ 4,204,418	\$ 15,823,374	\$ 1,537,206	\$ 6,023,021	\$ 27,588,019	\$ 19,762,836
Restricted cash and investments	10,091,647	23,000,010	981,684	2,999,689	37,073,030	64,678
Less amounts classified as investments	(9,994,101)	(23,957,571)	(3,007)	(6,031,986)	(39,986,665)	(13,823,287)
Total cash and cash equivalents	\$ 4,301,964	\$ 14,865,813	\$ 2,515,883	\$ 2,990,724	\$ 24,674,384	\$ 6,004,227
Reconciliation of operating income (loss) to net cash from operating activities						
Operating income (loss)	\$ 5,013,699	\$ 11,039,490	\$ (2,151,319)	\$ (4,305,163)	\$ 9,596,707	\$ (150,296)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	1,971,820	7,456,684	1,064,419	1,776,991	12,269,914	124,555
Lease proceeds used for noncapital expenses	-	-	-	-	-	789,413
Changes in assets and liabilities:						
Receivables	(211,133)	-	(15,633)	(53,557)	(280,323)	(1,425,287)
Allowance for uncollectable accounts	-	(65,797)	-	-	(65,797)	-
Due from other funds	(15,961)	10,380	-	-	(5,581)	(73,046)
Inventory	139,259	43,846	(6,490)	-	176,615	(39,594)
Prepaid expenses and other assets	5,354	(293)	8,668	8,859	22,588	(62,985)
Accounts payable	166,898	292,082	(13,375)	278,151	723,756	282,359
Due to other governments	-	-	-	2,236	2,236	-
Performance deposit	-	-	-	(1,250)	(1,250)	-
Due to other funds	(10,380)	3,500	77	252	(6,551)	175
Accrued payroll payable	59,838	107,661	2,730	(107,067)	63,162	70,733
Compensated absences payable	29,143	114,948	3,441	(236,534)	(89,002)	17,959
Taxes payable	11,632	759	-	-	12,391	-
Customer deposits	(35,986)	206,065	(15,353)	-	154,726	-
Other current payables	-	-	54,128	32,522	86,650	-
Unearned revenue	(402)	711	-	-	309	-
Estimate of unfiled claims	-	-	-	-	-	(287,023)
Net cash provided by (used in) operating activities	\$ 7,123,781	\$ 19,210,036	\$ (1,068,707)	\$ (2,604,560)	\$ 22,660,550	\$ (753,037)
Significant noncash transactions						
Capital assets disposed (at cost)	\$ (421,392)	\$ (1,650,982)	\$ (55,601)	\$ (609,698)	\$ (2,737,673)	\$ (125,182)
Capital asset contribution	-	-	683,912	843,503	1,527,415	-
Work in progress completed transferred to capital assets	-	17,236,003	-	-	17,236,003	-
Accumulated depreciation on disposals of capital assets	347,887	1,458,841	505,685	582,030	2,894,443	123,236
Amended/refunded revenue bond principal decrease	1,020,743	-	-	-	1,020,743	-

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2019

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 309,636	\$ 1,192,799
Investments	725,014	-
Receivables - Accounts	-	-
Receivables - Interest	4,909	-
 Total assets	1,039,559	\$ 1,192,799
Liabilities		
Accounts payable	171	\$ -
Accrued liabilities and other	-	335,621
Customer deposits payable	-	-
Police distribution payable	-	857,178
 Total liabilities	171	\$ 1,192,799
 Net position for pension benefits and other purposes	\$ 1,039,388	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
December 31, 2019

	Pension Trust Funds	Custodial Funds
Additions		
Investment income - Interest and dividends	\$ 27,534	\$ -
Police asset seizures	-	40,211
Payroll:		
Employee payroll	-	107,339,435
Collection of taxes for other governments	-	3,787,134
Total Payroll	-	111,126,568
Contributions:		
On behalf	10,578,775	-
Other	1,996	-
Net contributions	10,580,771	-
 Total additions	 10,608,305	 111,126,568
Deductions		
Benefit payments	10,805,041	-
Payroll distributions and payment of taxes to other governments	-	111,126,568
Police distributions	-	40,211
Administrative expenses	28,613	-
 Total deductions	 10,833,654	 111,126,568
 Net (decrease) increase in net position	 (225,349)	 -
Net position - Beginning of year	1,264,737	-
 Net position - End of year	 \$ 1,039,388	 \$ -

Note 1 – Significant Accounting Policies***Reporting Entity***

The City of South Bend (the "City") was established under the laws of the State of Indiana and operates under a Council-Mayor form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. 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 it is legally separate from the government.

Blended Component Units

The South Bend Redevelopment Authority is a significant blended component unit of the City. Although it is legally separate from the City, the Redevelopment Authority is reported as if it were part of the City because its sole purpose is to finance and construct land, building, and other improvements for use by the City. Financial statements for the Redevelopment Authority are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 12th Floor County-City Building, South Bend, Indiana 46601.

The City of South Bend Building Corporation is also a legally separate nonprofit corporation and a significant blended component unit of the City. The Building Corporation is reported as if it were part of the City because its main purpose is to finance construction and remodeling of City buildings. Debt of the Building Corporation is repaid through lease payments from the City. Financial statements for the Building Corporation are available at the City Controller's Office, City of South Bend, 227 West Jefferson, 12th Floor County-City Building, South Bend, Indiana 46601.

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:

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.

Note 1 – Significant Accounting Policies (Continued)

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 does not extend beyond making the appointments. The mayor and the Common Council appoint the board members of the South Bend Housing Authority, Urban Enterprise Association, St. Joseph County Housing Consortium, and the Saint Joseph County Board of Managers for Hotel-Motel Tax.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the City.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual based presentation found in the fund-based statements. The primary government is reported separately from a 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.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate

Note 1 – Significant Accounting Policies (Continued)

columns in the fund financial statements.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following funds as “major” governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Parks and Recreation Fund is used to account for the operation of the City park system. Financing is provided by a specific annual property tax levy to the extent that user fees and miscellaneous revenues are insufficient to provide such financing.
- The Public Safety Local Option Income Tax (LOIT) Fund is used to account for the City's share of the public safety portion of the local income tax. Expenditures are restricted to public safety.
- The County Option Income Tax (COIT) Fund is used to account for the City's share of the Certified Shares portion of the local income tax. Expenditures include any lawful purpose of the City.
- The Economic Development Income Tax (EDIT) Fund is to account for the City's share of the economic development portion of the local income tax. Expenditures include any lawful purpose of the City.
- The Rainy Day fund is for unused and unencumbered funds that are transferred from a fund that has a tax levy. Revenues in this fund also include special distributions of local income tax.
- The River West TIF (Tax Incremental Financing) Fund is used to account for public improvement projects in the river west economic development area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment.

Proprietary Funds

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

- The Water Utility Fund accounts for the operation of the City's water distribution system.
- The Wastewater Utility Fund accounts for the operation of the City's wastewater treatment plant, pumping stations, and collection systems.
- The Century Center Fund accounts for the operation and maintenance of the City's convention center. Financing is received from various user fees for conventions, meetings, and other

Note 1 – Significant Accounting Policies (Continued)

events held at the civic center and a subsidy from the St. Joseph County's Special Funds Board of Managers.

The City's internal service funds are used to account for various City liability coverage, employee medical coverage, police officers' take home vehicle, innovation & technology/311 call center, unemployment claims, parental leave program, and central services such as fuel, vehicle repairs, and various supplies provided to other departments on a cost-reimbursement basis. The activities are accounted for on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The pension trust funds account for the activities of the 1925 Police and 1937 Fire Pension Funds which accumulate resources for pension benefit payments.
- The custodial funds account for assets held by the City as an agent for employee payroll, pension, and payroll deductions and collected by the South Bend Police Department from asset seizures.

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the governmentwide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Note 1 – Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes, franchise taxes, licenses, and interest associated with the current fiscal period.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows.

Specific Balances and Transactions***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

State statute (IC 5-13-9) authorizes the City to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits, and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost. A “nonparticipating” instrument is one that does not recognize market fluctuations in its valuation.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Open-end mutual funds are reported at fair value.

Money market investments are reported fair value

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

Inventories and Prepaid Items

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure

Note 1 – Significant Accounting Policies (Continued)

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an “other financing source,” as well as bond premiums and discounts. Net position restricted for debt service and for capital outlay shown in the business-type activities and in the enterprise funds are restricted pursuant to state statute and/or local ordinance.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three items that qualify for reporting in this category. The deferred charge on refunding, deferred charges on pensions, and deferred charges on other postemployment 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

Note 1 – Significant Accounting Policies (Continued)

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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The City has four items that qualify for reporting in this category: an unamortized amount related to a service agreement, an unamortized gain related to a sale/leaseback transaction, deferred inflows related to pensions per GASB Statement No. 68 and deferred inflows related to OPEB per GASB Statement No. 75.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

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

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

Note 1 – Significant Accounting Policies (Continued)

making authority for the non-TIF Funds. The South Bend Redevelopment Commission is the highest level of decision-making authority for the TIF Funds.

Assigned fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For the governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed. Currently, state statute does not require the City's Common Council to undertake any resolution regarding the assignment of fund balances. Assignments of fund balance are imposed by informal action of the City Controller. Formal action by a governing body is not required to assign fund balances

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

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

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

The detail of the fund balance classifications of the governmental funds for the year ended December 31, 2019 can be found in Note 16.

Property Tax Revenue

Property taxes levied are collected by the County Treasurer and are usually distributed to the City in June and in December. State statute (IC § 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates are based on the taxable valuation of property as of the preceding January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively, at which time penalties and interest are assessed.

Pension

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

Note 1 – Significant Accounting Policies (Continued)

with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers retiree healthcare benefits to retirees. For purposes of measuring the total OPEB liability in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position of the City of South Bend Retiree Healthcare Plan (SBRHP) have been determined on the same basis as they are reported by SBRHP.

Compensated Absences (Vacation and Sick Leave)

- Sick Leave - City employees earn sick leave at the rate of four to eight days per year, depending upon employee classification and length of service. Police officers, teamsters, 40 hour-per-week firefighters, and all other employees earn eight sick days per year, regardless of tenure of service. Firefighters working 24-hour workdays with tenure greater than five years earn five days of sick leave per year, and firefighters working 24-hour workdays with tenure less than five years, earn four days of sick leave per year. Sick leave may accumulate to a maximum 90 days for police officers, 100 days for 40-hour-per-week firefighters, 38 days for 24-per-day firefighter, 75 days for teamsters, and 65 days for all other employees. Accumulated sick leave is paid to firefighters and police officers upon termination of employment depending upon the number of sick leave hours transacted, at a rate of 50 percent to 100 percent of the base hourly rate of pay for firefighters and at a rate of one-half the first class patrolman rank rate of pay for police officers. Accumulated sick leave is paid to teamster employees, upon retirement, at a rate of \$40 for each accumulated sick leave day transacted. Sick leave buy-back during employment is paid to firefighters and police officers annually upon request. Upon request, firefighters are paid unused sick days earned in the previous year in excess of 252 hours in the sick day bank at the base hourly rate of pay. Upon request, police officers are paid up to a maximum eight unused sick days at the first class patrolman rate of pay.
- Vacation Leave - Primary government employees earn vacation leave at rates from zero days to 28 days based upon hire date, years of service, and employee classification. Vacation leave does not accumulate from year to year for police officers, firefighters, and teamster employees, except in instances where special cases are approved. Nonbargaining employees carry over to the following year unused vacation time up to a maximum of 160 hours. Employees earn vacation leave during the year for use in the succeeding year. Unused vacation leave is paid to employees upon termination of employment. Firefighters may sell back vacation leave, up to a maximum three days per year, during selected times of the year, at the employee's normal hourly rate of pay.
- Personal Leave - City police officers earn personal leave at the rate of seven days per year, and have the opportunity to earn an additional three days leave with participation in regularly scheduled police practice shooting exercises. Police officers personal leave does not accumulate from year to year. Police officers unused personal leave may be rolled into sick leave. City employees under the teamster contract can use up to four days of their sick leave for personal leave. Personal leave of absence may be available for certain personal, family, and medical reasons when other forms of leave have been exhausted or otherwise not available. Leaves of absences are unpaid although employees may use accrued vacation, sick, and comp time. A leave of absence may not exceed 30 calendar days, however an employee facing exceptional circumstances may seek an additional 30 calendar day leave of absence subject to approval by the department and HR department. Employees who are enrolled in the City's insurance plans will be covered during the initial leave of absence, but benefit time, such as vacation and sick time, will not accrue during this period. While every effort will be made to retain employment opportunities for an individual during this time, there

Note 1 – Significant Accounting Policies (Continued)

is no guarantee of employment at the completion of personal leave of absence.

- **Compensatory Leave** - City firefighters can elect to receive compensation for overtime hours worked either through wage payment or compensatory time off work up to a maximum of 240 hours. All other nonexempt employees working overtime hours earn compensatory time off up to a maximum balance of 32 hours, after which they are paid overtime wage. All other exempt employees working overtime hours earn compensatory time up to a maximum balance of 160 hours.

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

Proprietary Funds Operating Classification

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

Use of Estimates

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

Upcoming Accounting Pronouncements

The following pronouncements issued by the GASB will be effective for the City's financial statements for the year ending December 31, 2020. The City is currently evaluating the impact these standards will have on the financial statements when adopted.

- *GASB Statement No. 87: Leases*
 - This statement requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources.

Note 2 – Stewardship, Compliance, and Accountability***Budgetary Information***

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

Major governmental funds:

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

Nonmajor governmental funds:

- *Special Revenue Funds* - Motor Vehicle Highway, Studebaker Oliver Revitalization Grants, Economic Development State Grants, DCI Operating, DCI Federal Grants, Police State Seizure, Gift Donation Bequest, Police Curfew Violation, Unsafe Building, Law Enforcement Continuing Education, Rental Units Regulation, Loss Recovery, Code Enforcement, Local Road and Street, LOIT 2016 Special Distribution, Human Rights Federal Grants, Local Road and Bridge Grant, MVH Restricted, Morris and Palais Marketing, Morris PAC Self Promoted Events, Police Block Grants, Hazmat, Indiana River Rescue, Regional Police Academy, COPS MORE Grant, Federal Drug Enforcement, Urban Development Action Grant, Leaf Collection and Removal, Police K-9 Unit, Morris/Palais Box Office, City Cemetery, Bowman Cemetery, Industrial Revolving Fund.
- *Debt Service Funds* - 2017 Park Bond Debt Service, College Football Hall of Fame Debt Service, Redevelopment Bond Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond Palais Royale, Fire Station #9 Debt Service, 2018 TIF Park Bond Debt Service Reserve, Century Center Energy Conservation Debt Service, Redevelopment Authority Debt Service, South Bend Building Corporation Debt Service, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service
- *Capital Projects Funds* – 2019 South Shore Double Tracking Bond Capital, Professional Sports Development, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Morris Performing Arts Center Capital, Redevelopment Retail Area (Leighton Plaza), Redevelopment General, TIF - West

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

Washington, TIF - River East Development, TIF - Southside Development Area No. 1, TIF - Douglas Road, TIF - River East Residential, Certified Technology Park, Palais Royale Historic Preservation, Airport Urban Enterprise Zone, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2018 Zoo Bond Capital, 2017 Park Bond Capital, Equipment Vehicle Leasing, 2015 Park Bond Capital, 2015 Smart Streets Bond Capital, 2017 Eddy St. Commons Bond Capital

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. Prior to November 1 of each year, the Common Council, through the passage of an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications, namely, Personnel, Supplies, Services, or Capital of a fund budget without approval of the Common Council. The Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Expenditures did not exceed appropriations for any funds or any departments within the General fund, the Parks and Recreation Fund, the Public Safety LOIT Fund, the COIT Fund, the EDIT Fund, the Rainy Day Fund, or any other major or nonmajor governmental fund which required legally approved budgets except for the Redevelopment Authority Debt Service Fund and the Equipment Vehicle Leasing Fund. In 2019, these two funds had small expenditure variances that resulted in slightly higher-than-expected expenditures.

Fund Deficits

At December 31, 2019, the following funds reported deficits in fund equity, which are violations of State statute: Code Enforcement (\$57,852).

The Code Enforcement fund was created for the first payroll in 2020, which began during the month of December 2019. The negative fund balance represents accrued payroll for the month of December, which was not paid until January 2020. This deficit will be repaid from future revenue during 2020.

Note 3 – Deposits and Investments

Authorization for investment activity is stated in Indiana Code 5-13. Indiana Code 5-13-9 has authorized investment in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government-sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than five years.

Note 3 – Deposits and Investments (Continued)

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by the federal agency, a federal instrumentality, or a federal government-sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government-sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard & Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government-sponsored enterprise. The repurchase agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Indiana Code § 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if that institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At year end, the bank balances held at the following institutions were collateralized with securities held by the pledging financial institution's trust department or agent in the depositor-City's name:

<u>Bank Name</u>	<u>Amount Held</u>
US Bank NA	\$ 10,334,140
1 st Source Bank	7,099,590
Bank of New York Mellon	4,325,499
Centier Bank	2,078,333
Wells Fargo Bank, NA	641,890
Key Bank	62,110

The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The City has not formally adopted a deposit policy for custodial credit risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At year end,

Note 3 – Deposits and Investments (Continued)

\$68,808,863 in investment securities was uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

Interest Rate Risk

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

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

Investment Type	Fair Value	Maturity		
		Less than One Year	One to Two Years	More than Two Years
U.S. Treasuries	\$ 11,119,338	\$ 5,028,190	\$ 5,066,791	\$ 1,024,357
U.S. Government Agency Securities	57,689,525	15,069,001	40,602,816	20,017,708
Total	\$ 68,808,863	\$ 20,097,191	\$ 45,669,607	\$ 3,042,065

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. government agency securities are implicitly guaranteed by the full faith and credit of the U.S. government and are recognized as one of the safest investments available. The City does not have a formal investment policy for credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the City's practice to limit concentration of investments to no more than 10 percent of any institution's asset base. 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, 2019:

The fair value of U.S. Treasuries and U.S. Government Agency securities of \$68,808,863 are valued using significant other observable inputs (Level 2 inputs).

Note 4 – Receivables

The following receivable accounts have timing and credit characteristics different from typical accounts receivable. As of December 31, 2019 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	\$ 675,000	\$ 655,000
Nonmajor governmental funds:		
Economic development state grants	122,321	55,243
Community investment grants	202,563	157,999
Urban development action grant	422,297	338,192
Industrial revolving fund	5,004,351	3,903,394
Total nonmajor governmental funds	\$ 5,751,532	\$ 4,454,828

Note 5 – Net Investment in Capital Assets

The net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets not subject to depreciation	\$ 41,091,643	\$ 8,827,633	\$ 49,919,276
Capital assets subject to depreciation - Net	236,015,908	228,979,195	464,995,103
Deferred outflows (capital related)	1,880,927	1,487,197	3,368,124
Notes and loans payable - current	(355,246)	(199,656)	(554,902)
General obligations bonds payable-current	(980,000)	-	(980,000)
Mortgage bonds payable - current	(1,931,280)	(318,720)	(2,250,000)
Capital leases payable - current	(3,816,805)	(2,560,264)	(6,377,069)
Revenue bonds payable - current	(7,231,441)	(6,935,000)	(14,166,441)
Notes and loans payable - noncurrent	(3,405,904)	(1,816,433)	(5,222,337)
General obligations bonds payable-noncurrent	(16,815,347)	-	(16,815,347)
Mortgage bonds payable - noncurrent	(4,382,916)	(4,317,724)	(8,700,640)
Capital leases payable - noncurrent	(6,605,533)	(3,739,938)	(10,345,471)
Revenue bonds payable - noncurrent	(115,161,889)	(63,775,435)	(178,937,324)
Deferred inflows (capital related)	-	(1,020,743)	(1,020,743)
Unspent debt proceeds	5,038,676	678,882	5,717,558
Net investment in capital assets	\$123,340,793	\$155,288,994	\$278,629,787

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

Note 6 – Capital Assets

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

Governmental Activities

Governmental Activities	Balance January 1, 2019	Additions	Disposals	Balance December 31, 2019
Capital assets, non-depreciable				
Land	\$ 14,496,141	\$ -	\$ -	\$ 14,496,141
Construction in progress	18,009,789	29,546,609	(20,960,896)	26,595,503
Total capital assets, non-depreciable	32,505,930	29,546,609	(20,960,896)	41,091,643
Capital assets, depreciable				
Buildings	120,384,084	9,713,735	(945,811)	129,152,007
Improvements other than buildings	21,052,069	415,903	(13,240)	21,454,732
Machinery and equipment	48,608,151	2,919,161	(3,283,608)	48,243,704
Roads and other infrastructure	468,753,380	10,035,582	-	478,788,961
Subtotal	658,797,683	23,084,380	(4,242,659)	677,639,404
Less accumulated depreciation for:				
Buildings	52,451,586	3,488,883	(935,075)	55,005,394
Improvements other than buildings	10,967,455	726,584	(13,240)	11,680,799
Machinery and equipment	33,842,343	3,428,389	(3,033,346)	34,237,386
Roads and other infrastructure	327,964,417	12,735,501	-	340,699,917
Subtotal	425,225,801	20,379,357	(3,981,661)	441,623,496
Net capital assets, depreciable	233,571,882	2,648,898	(204,872)	236,015,908
Total governmental activities capital assets, net	\$266,077,812	\$32,195,507	\$(21,165,768)	\$277,107,551

Note 6 – Capital Assets (Continued)

Business-type Activities

Business-type Activities	Balance January 1, 2019	Additions	Disposals	Balance December 31, 2019
Capital assets, non-depreciable				
Land	\$ 2,614,013	\$ -	\$ (27,400)	\$ 2,586,613
Construction in progress	17,841,033	5,635,990	(17,236,003)	6,241,020
Total capital assets, non-depreciable	<u>20,455,046</u>	<u>5,635,990</u>	<u>(17,263,403)</u>	<u>8,827,633</u>
Capital assets, depreciable				
Buildings	83,425,676	2,457,663	(511,781)	85,371,558
Improvements other than buildings	26,873,450	104,244	(56,865)	26,920,828
Machinery and equipment	43,574,154	3,607,990	(2,404,186)	44,777,958
Roads and other infrastructure	216,476,719	17,438,959	(592,076)	233,323,602
Subtotal	<u>370,349,999</u>	<u>23,608,856</u>	<u>(3,564,908)</u>	<u>390,393,947</u>
Less accumulated depreciation for:				
Buildings	38,629,055	2,116,625	(420,015)	40,325,666
Improvements other than buildings	8,608,656	1,240,095	(47,513)	9,801,239
Machinery and equipment	25,771,251	3,464,609	(2,290,127)	26,945,733
Roads and other infrastructure	79,317,194	5,488,530	(463,610)	84,342,115
Subtotal	<u>152,326,157</u>	<u>12,309,860</u>	<u>(3,221,264)</u>	<u>161,414,752</u>
Net capital assets, depreciable	<u>218,023,842</u>	<u>11,298,997</u>	<u>(343,643)</u>	<u>228,979,195</u>
Total business-type activities capital assets, net	<u>\$238,478,888</u>	<u>\$ 16,934,987</u>	<u>\$(17,607,047)</u>	<u>\$237,806,828</u>

Accumulated depreciation additions shown in the two schedules above include depreciation expense and also include accumulated depreciation on assets transferred from other funds. Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:

General government	\$ 34,438
Public safety	2,725,077
Highways and streets, and other general infrastructure	14,028,110
Culture and recreation	2,927,230
Economic development	539,945
Internal service funds	124,556

Total governmental activities depreciation expense \$ 20,379,357

Business-type Activities:

Emergency medical service	\$ 484,641
Water	1,971,820
Wastewater	7,456,684
Century Center	1,064,419

Note 6 – Capital Assets (Continued)

Building department & code enforcement	209,188
Parking garage	261,297
Solid waste	821,865

Total business-type activities depreciation expense	\$ 12,269,913
Prior year accumulated depreciation for transfer into business-type activities	39,947
Total additions to accumulated depreciation per capital asset depreciation schedules	<u>\$ 12,309,860</u>

Construction Commitments

The City has active construction projects at year end. As of December 31, 2019, the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Governmental activities:		
Howard Park/Riverfront Trail Improvements	\$ 17,568,687	\$ 1,264,972
Historic Leeper Park Improvements	1,240,836	131,978
Pulaski Park Improvements	502,656	376,030
Fire Station #9	3,589,660	92,043
Fire Station 11 Parking Lot Improvement	122,245	6,434
Fire Station 3 Renovations	66,879	639,813
Fire Station 6 Renovations	29,967	286,687
SBFD Training Center Classroom Building	625,317	32,911
Lincolnway East Corridor Improvements	433,833	63,210
Western Avenue Streetscape, Phase III	2,415,423	394,118
Total – governmental activities	\$ 26,595,503	\$ 3,288,195
Business-type activities:		
Parking garages		
Wayne Street Parking Garage Structure Repairs	\$ 123,813	\$ 24,207
Leighton Plaza Parking Garage Structure Repairs	184,281	36,029
Total Parking garages:	308,094	60,236
Water utility		
North Station Well #1 Replacement	\$ 681,218	\$ 3,819
Prairie Ave Water Main Loop	130,704	61,796
South Wellfield Plant & Pressure Zone Imprvmnts	212,195	37,805
Olive Water Treatment Plant Improvements	159,550	1,475,896
Edison Filtration Plant Roof Replacement	19,200	470,500
Pinhook Water Treatment Plant Improvements	65,608	113,792
Total Water utility	1,268,475	2,163,608
Wastewater utility		
Airport Annexation Area Sanitary Sewer Ext	\$ 827,312	\$ 54,245
WWTP Electrical Improvements	3,133,327	3,885,991
WWTP Raw Sewage Pump No. 2 Rehabilitation	385,080	38,070
Secondary Treatment & Disinfection Imprvmnts	318,734	475,036
Total Wastewater utility	4,664,452	4,453,343
Total – business-type activities	\$ 6,241,020	\$ 6,677,188
Total	\$ 32,836,523	\$ 9,965,383

Note 7 – Interfund Receivables, Payables, and Transfers

Interfund balances resulted from the time lag between the dates that (1) interfund loans are repaid, (2) interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system, and (4) payments between funds are made.

The composition of interfund balances at December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
Parks & Recreation	EDIT	\$31,500
Internal service	Nonmajor governmental	73,046
Water Utility	General	19,205
	Parks & Recreation	10,919
	EDIT	463
	Nonmajor governmental	1,410
	Wastewater Utility	5,085
	Century Center	4,281
	Nonmajor enterprise	3,204
	Internal service	1,390
	Total Water Utility	45,957
	Total	\$150,503

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

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
COIT	Nonmajor governmental	\$ 420,253
Nonmajor governmental	River West TIF	100,000
	Nonmajor governmental	2,388,903
	Total nonmajor governmental	2,488,903
	Total	\$ 2,909,156

Specific purposes of the advances are as follows: The COIT Fund advanced funds to the Urban Development Action Grant Fund for community development projects. Major Moves advanced funds to the Douglas Road and River East Residential TIFs for project costs incurred to construct roads and a parking garage.

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

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

Receivable Fund	Payable Fund	Amount
General	EDIT	\$15,000
	Water Utility	1,722,624
	Wastewater Utility	4,738,366
	Total General	<u>6,475,990</u>
Parks and Recreation	COIT	400,000
	Nonmajor governmental	10,867
	Total Parks and Recreation	<u>410,867</u>
COIT	Nonmajor governmental	327,077
	Internal service	600,000
	Total COIT	<u>927,077</u>
EDIT	Nonmajor governmental	<u>178,534</u>
River West TIF	Nonmajor governmental	<u>62,261</u>
Nonmajor governmental	General Fund	26,423
	COIT	3,437,750
	EDIT	3,282,451
	River West TIF	4,266,098
	Nonmajor governmental	7,840,583
	Century Center	90,752
	Nonmajor enterprise	480,649
Total Nonmajor governmental	<u>19,424,706</u>	
Wastewater Utility	Nonmajor governmental	<u>200,000</u>
Nonmajor enterprise	General Fund	608,052
	COIT	926,579
	EDIT	2,528,909
	Total nonmajor enterprise	<u>4,063,540</u>
	Grand Total	<u><u>\$31,742,975</u></u>

The City typically uses transfers to fund ongoing operating subsidies. Specific purposes of the transfers are as follows: The Water and Wastewater Utility Funds transferred PILOT funds to the General Fund for general use. The COIT, EDIT, River West TIF, Cumulative Capital Improvement, and TIF River East Residential Funds transferred funds to the Redevelopment Authority and South Bend Building Corporation Debt Services Funds for debt service payments. The COIT and EDIT Funds transferred funds to the Motor Vehicle Highway Fund for general operations as well as for the curb and sidewalk improvements. The EDIT Fund transferred funds to the DCI Operating Fund for salaries and wages relating to community investment initiatives and to the Unsafe Building Fund and Consolidated Building Fund for general operations of the Unsafe Building, Code Enforcement and Animal Care & Control. The Local Roads and Streets and LOIT 2016 Special Distribution Funds transferred matching grant funds to the Local Road and Bridge Matching Grant Fund. The Leaf Collection and Removal Fund transferred funds collected from customers for leaf collection to the Motor Vehicle Highway Fund to cover supervisory personnel in charge of the Leaf Collection and Removal program.

Note 8 – Leases

Operating Leases

The City has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for golf cart global positioning systems, office machines, and office space. Rental expenditures for these leases were \$432,391. The following is a schedule by years of future minimum rental payments as of December 31, 2019:

Years Ended December 31	Amount
2020	\$ 423,026
2021	392,775
2022	394,275
2023	140,590
2024	142,527
2025-2030	451,975
Total	\$ 2,075,584

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, 2019 are as follows

:

Years Ended December 31	Governmental Activities	Business-type Activities
2020	\$ 4,093,677	\$ 2,688,868
2021	3,572,472	1,893,164
2022	1,906,918	1,410,749
2023	1,012,514	479,975
2024	271,588	84,750
2025 - 2028	200,000	-
Total minimum lease payments	11,057,169	6,557,506
Less amount representing interest	634,830	257,304
Present value	\$ 10,422,339	\$ 6,300,202

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

	Governmental Activities	Business-type Activities
Buildings	\$ -	\$ 1,324,615
Machinery and Equipment	11,343,590	7,095,031
Total	11,343,590	8,419,646
Accumulated depreciation	(4,293,895)	(3,726,871)
Net	\$ 7,049,695	\$ 4,692,775

Note 9 – Long-term Debt

Long-term debt activity for the year ended December 31, 2019 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	\$ 18,695,000	\$ -	\$ (940,000)	\$ 17,755,000	\$ 980,000
Less unamortized (discounts)/premiums	42,645	-	(2,298)	40,347	-
Net - general obligation	<u>18,737,645</u>	<u>-</u>	<u>(942,298)</u>	<u>17,795,347</u>	<u>980,000</u>
Mortgage	7,755,045	-	(1,864,355)	5,890,690	1,931,280
Less unamortized (discounts)/premiums	545,809	-	(122,303)	423,506	-
Net - mortgage	<u>8,300,854</u>	<u>-</u>	<u>(1,986,658)</u>	<u>6,314,196</u>	<u>1,931,280</u>
Revenue	118,233,220	7,985,000	(7,338,538)	118,879,682	7,231,441
Less unamortized (discounts)/premiums	2,250,693	1,462,841	(199,885)	3,513,648	-
Net - revenue	<u>120,483,913</u>	<u>9,447,841</u>	<u>(7,538,423)</u>	<u>122,393,330</u>	<u>7,231,441</u>
Total bonds payable	147,522,412	9,447,841	(10,467,379)	146,502,873	10,142,721
Notes from direct borrowings	4,108,822	-	(347,671)	3,761,150	355,246
Capital leases	<u>12,832,195</u>	<u>1,632,870</u>	<u>(4,042,727)</u>	<u>10,422,338</u>	<u>3,816,805</u>
Subtotal	164,463,429	11,080,711	(14,857,778)	160,686,361	14,314,771
Accumulated Compensated Absences	6,316,138	6,282,710	(6,316,138)	6,282,710	6,282,710
Net pension liability	163,536,593	8,430,804	-	171,967,397	-
Total other post-employment benefits (OPEB) liability	<u>23,206,087</u>	<u>1,255,727</u>	<u>-</u>	<u>24,461,814</u>	<u>-</u>
Total governmental activities	<u>\$ 357,522,247</u>	<u>\$ 27,049,951</u>	<u>\$ (21,173,916)</u>	<u>\$ 363,398,282</u>	<u>\$ 20,597,481</u>

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:					
Mortgage	\$ 4,889,955	\$ -	\$ (310,645)	\$ 4,579,310	\$ 318,720
Less unamortized (discounts)/premiums	62,023	-	(4,889)	57,134	-
Net - mortgage	<u>4,951,978</u>	<u>-</u>	<u>(315,534)</u>	<u>4,636,444</u>	<u>318,720</u>
Revenue	80,085,000	2,814,257	(12,205,000)	70,694,257	6,935,000
Less unamortized (discounts)/premiums	93,104	-	(76,925)	16,179	-
Net - revenue	<u>80,178,104</u>	<u>2,814,257</u>	<u>(12,281,925)</u>	<u>70,710,436</u>	<u>6,935,000</u>
Total bonds payable	85,130,082	2,814,257	(12,597,460)	75,346,880	7,253,720
Capital leases payable	7,994,705	798,498	(2,493,001)	6,300,202	2,560,265
Notes from direct borrowings	<u>2,231,783</u>	<u>-</u>	<u>(215,694)</u>	<u>2,016,089</u>	<u>199,656</u>
Total business-type activities	<u>\$ 95,356,570</u>	<u>\$ 3,612,755</u>	<u>\$ (15,306,154)</u>	<u>\$ 83,663,171</u>	<u>\$ 10,013,641</u>

Total interest expense for the year was \$9,024,479. The City does not have any unused lines of credit.

Note 9 – Long-term Debt (Continued)

Revenue Bonds

The City issues bonds to provide for the acquisition and construction of major capital facilities. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service.

The City has pledged future revenue, net of operating expenses, to repay water and wastewater utilities' bonds. Bond ordinances require monthly deposits of a portion of user fee revenue sufficient to meet requirements of the next principal, interest, and bank fiscal charge payment. Water and wastewater bond ordinances also require monthly deposits of user fee revenues over 60 months to produce a bond reserve equal to approximately the maximum annual debt service.

During 2019, the Water Utility paid \$7,807,637 in debt payments or approximately 38 percent of operating revenue. The Wastewater Utility paid \$8,525,713 in debt payments or approximately 21 percent of operating revenue.

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.

Bonds Outstanding at December 31, 2019

Purpose	Outstanding 12/31/2019
---------	---------------------------

Governmental Activities

General Obligation Bonds

South Bend Park District Bonds, Series 2017(A-K)

- Interest rates 3% - 3.25%
- Original issue \$14,075,000
- Installments of \$350,000 to \$580,000 plus interest
- Maturity January 15, 2033

\$ 12,955,000

Note 9 – Long-term Debt (Continued)

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	4,800,000
Total General Obligation Bonds	\$ 17,755,000
 <u>Mortgage Bonds</u>	
Building Corporation County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010 (Public Works Service Center)	
- Interest rates 2% - 5%	
- Original issue \$6,075,000, 87.7% Governmental (\$5,327,775)	
- Installments of \$240,000 to \$330,000 plus interest	
- Maturity February 1, 2021	\$ 850,690
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	5,040,000
Total Governmental Mortgage Bonds	\$ 5,890,690
 <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	\$ 8,365,000
Indiana Bond Bank Special Program Bonds, Series 2011A (TIF B)	
- Interest rates 4% - 5.2%	
- Original issue \$10,435,000	
- Installments of \$254,036 to \$530,000 plus interest	
- Maturity August 1, 2024	4,765,000
South Bend Redevelopment District Special Taxing District Refunding Bonds of 2014	
- Interest rates 2% - 3%	
- Original issue \$3,440,000	
- Installments of \$395,000 to \$470,000 plus interest	
- Maturity January 1, 2022	925,000

Note 9 – Long-term Debt (Continued)

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	25,995,000
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	2,245,000
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	2,014,682
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	22,630,000
Economic Development Income Tax Bonds of 2015 (Parks Projects)	
- Interest rates 3% - 3.75%	
- Original issue \$5,605,000	
- Installments of \$16,667 to \$65,000 plus interest	
- Maturity August 1, 2035	4,760,000
Taxable Economic Development Revenue Bonds, Series 2017 (Eddy Street Phase II)	
- Interest rate 5%	
- Original issue \$25,000,000	
- Installments of \$628,472 to \$1,834,750 plus interest	
- Maturity February 15, 2037	24,925,000
Redevelopment District Bonds, Series 2018 (Parks Projects)	
- Interest rates 2% - 3%	
- Original issue \$11,995,000	
- Installments of \$405,000 to \$490,000 plus interest	
- Maturity February 1, 2033	10,930,000

Note 9 – Long-term Debt (Continued)

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

3,340,000

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

7,985,000

Total Governmental Revenue Bonds \$118,879,682

Total Governmental Activities \$142,525,372

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

Business-Type Activities

Mortgage Bonds

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

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

\$ 119,310

Building Corporation First Mortgage Revenue Bonds, Series 2013

- Interest rates 3% to 4.2%
- Original issue \$5,580,000
- Installments of \$215,000 to \$425,000 plus interest
- Maturity February 1, 2033

4,460,000

Total Business-Type Mortgage Bonds \$ 4,579,310

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

\$ 1,235,000

Amended Water Works Revenue Bonds of 2009, Series B

Note 9 – Long-term Debt (Continued)

- 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 Revenue Bonds of 2010	
- Interest rates 2% - 4.5%	
- Original issue \$9,345,000	
- Installments of \$365,000 to \$665,000 plus interest	
- Maturity December 1, 2030	5,925,000
Sewage Works Revenue Bonds of 2011	
- Interest rates 3% - 4%	
- Original issue \$21,500,000	
- Installments of \$760,000 to \$1,510,000 plus interest	
- Maturity December 1, 2031	14,535,000
- Installments of \$715,000 to \$1,065,000 plus interest	
- Maturity December 1, 2024	3,450,000
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	17,200,000
Water Works Refunding Revenue Bonds of 2016	
- Interest rate 3%	
- Original issue \$3,300,000	
- Installments of \$260,000 to \$440,000 plus interest	
- Maturity January 1, 2027	2,035,000
Total Business-Type Revenue Bonds	\$ 70,694,257
Total Business-Type Activities	\$ 75,273,567

Note 9 – Long-term Debt (Continued)

Notes from Direct Borrowings and Direct Placements

Purpose	Outstanding 12/31/2019
Governmental Activities	
Indiana Development Finance Authority (Bosch Project) Interest rate: 3.034% Original issue: \$1,040,000 Installments of \$18,003 per quarter, includes interest Maturity: March 22, 2021	\$ 105,236
2015 Century Center Energy Conservation Bond Interest rates: 3.5% Original issue: \$4,167,897 Installments of \$22,585 to \$176,508 plus interest Maturity: May 1, 2031	<u>3,655,914</u>
Total governmental activities	<u><u>\$ 3,761,150</u></u>
Business-type Activities	
2009 Water Works State Revolving Loan Interest rate: 3.37% Original issue: \$427,332 Installments of \$17,719 to \$29,459 plus interest Maturity: January 1, 2030	\$ 267,688
2009 Sewage Works State Revolving Loan Interest rate: 2.81% Original issue: \$3,297,000 Installments of \$130,201 to \$220,378 plus interest Maturity: December 1, 2028	<u>1,748,401</u>
Total business-type activities	<u><u>\$ 2,016,089</u></u>

Other Long-term Liabilities

Compensated absences for governmental activities typically have been liquidated from the General Fund and special revenue funds. All of the December 31, 2019 business-type activities' compensated absences are due within one year.

The net 1925 Police and 1937 Firefighters' pension liability will be liquidated from the pension trust funds. The Public Employees' Retirement Fund (PERF) liability will not be liquidated from the pension trust funds.

The total OPEB obligation will be liquidated from the General Fund.

Note 9 – Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

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>
2020	\$10,142,721	\$ 5,375,912	\$15,518,633	\$7,253,720	\$ 2,248,134	\$ 9,501,854
2021	10,933,754	5,146,112	16,079,866	7,415,590	2,071,496	9,487,086
2022	10,798,699	4,691,493	15,490,191	7,699,257	1,892,265	9,591,521
2023	10,498,053	4,225,694	14,723,747	7,675,000	1,696,781	9,371,781
2024	10,152,408	3,796,036	13,948,443	7,910,000	1,492,072	9,402,072
2025-2029	39,106,567	14,049,314	53,155,881	25,775,000	4,555,068	30,330,068
2030-2034	36,643,172	6,841,383	43,484,554	11,545,000	722,108	12,267,108
2035-2039	14,250,000	977,938	15,227,938	-	-	-
Totals	142,525,372	45,103,880	187,629,252	75,273,567	14,677,922	89,951,489

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>
2020	\$ 355,246	\$ 127,861	\$ 483,107	\$ 199,656	\$ 58,151	\$ 257,807
2021	326,878	115,838	442,716	205,396	52,411	257,807
2022	297,175	105,192	402,367	211,301	46,506	257,807
2023	303,221	94,738	397,959	217,376	40,430	257,806
2024	309,315	84,073	393,388	223,628	34,178	257,806
2025-2029	1,643,472	252,679	1,896,152	958,732	71,510	1,030,242
2030-2034	525,843	18,469	544,312	-	-	-
2035-2039	-	-	-	-	-	-
Totals	3,761,150	798,850	4,560,000	2,016,089	303,186	2,319,275

Current Refundings

On November 5, 2019, the City of South Bend amended/refunded its Water Works Revenue bonds of 2009, Series B. These bonds were originally purchased by the Indiana Bond Bank. On November 5, 2019, the Indiana Bond Bank issued its Special Refunding Bonds, Series 2019 A-1 to take advantage of favorable interest rates and lower future debt service payments. These savings were passed on to the City. The City's outstanding principal balance on the 2009, Series B bonds was reduced from \$3,835,000 to \$2,814,257 with interest rates ranging from 5.41% to 5.89%. This accounting gain of \$1,020,743 is recognized as deferral of gain on refunding and will be amortized over the remaining debt service period. In so doing, the City saved \$1,105,000 in debt service costs over the remaining life of the bonds.

Note 10 – Restricted Assets

At December 31, 2019, the balances of restricted assets in the enterprise funds are comprised of the following:

	Total	Water	Wastewater	Century Center	Consolidated Building	Solid Waste	EMS
Debt service	1,373,875	286,131	1,087,744	-	-	-	-
Customer repair and deposit	3,874,212	1,287,448	2,586,764	-	-	-	-
Cash with fiscal agent	790,509	33,720	342,186	-	49,386	132,224	232,993
Bond reserve	5,686,302	1,394,387	4,291,915	-	-	-	-
Operating reserve	8,466,379	2,902,529	5,563,850	-	-	-	-
Capital outlay accounts	<u>17,171,266</u>	<u>4,187,432</u>	<u>9,417,064</u>	<u>981,684</u>	<u>-</u>	<u>64,925</u>	<u>2,520,161</u>
Total restricted assets	<u>37,362,543</u>	<u>10,091,647</u>	<u>23,289,523</u>	<u>981,684</u>	<u>49,386</u>	<u>197,149</u>	<u>2,753,154</u>

Note 11 – Property Held for Resale

The City's Redevelopment Commission has purchased properties in blighted areas for redevelopment and subsequent resale. At December 31, 2019, the market value of these properties is not known. These properties are recognized as assets in the funds that purchased the property.

Note 12 – Service Concession Arrangement

On July 1, 2013, the City entered into a Service Concession Agreement (SCA) with SMG, a civic center management company, with the purpose of obtaining high-quality professional management of the Century Center. On October 1, 2019, SMG merged with AEG Facilities to form a new company, ASM Global.

The initial term of the contract extended through June 30, 2016, and has been extended twice to now be through December 31, 2022. ASM Global's compensation is a flat fee of \$135,000 for the first year and is then adjusted by the CPI (Consumer Price Index) for each successive year.

There are also additional financial incentives based on various operational goals. SMG 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 will be amortized over seventy-two (72) months. Both parties retain certain rights regarding operations and contract cessation.

Note 13 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits provided to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage in 2019. There were no significant reductions in insurance by major category of risk.

Note 13 – Risk Management (Continued)***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 2017, 2018 and 2019 by \$218,522, \$ 238,638, and \$217,805, respectively. 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.

A significant flooding event occurred in February 2018. During that month, heavy rainfall resulted in flooding that damaged several City-owned parks and trails along the St. Joseph River, along with a pumping station owned by the City's utilities. During 2019, the City agreed to insurance proceeds settlement of \$2 million related to this loss, minus the City's deductible. A portion of this payment was received in 2018, the remainder will be received in 2020 and is recognized as a receivable in the City's Liability Reserve Fund as of December 31, 2019. It is anticipated that the insurance proceeds will cover a significant portion of the cost of repairs. Additional repair cost reimbursement was earned in 2018 through the Federal Emergency Management Agency (FEMA).

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 2017, 2018, and 2019 by \$109,466, \$ 347,097, and \$24,418, 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.

Note 13 – Risk Management (Continued)

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

	Liability Insurance		Group Health	
	2019	2018	2019	2018
Unpaid claims - Beginning of year	\$ 2,139,926	\$ 1,175,541	\$ 919,015	\$ 934,220
Incurred claims, including claims incurred but not reported	1,950,168	2,932,213	14,771,522	14,423,269
Claim payments	(2,343,321)	(1,967,828)	(14,665,692)	(14,438,474)
Unpaid claims - End of year	<u>\$ 1,746,773</u>	<u>\$ 2,139,926</u>	<u>\$ 1,024,845</u>	<u>\$ 919,015</u>

Contingent Liabilities

On February 28, 2012, the City, the United States of America, and the State of Indiana, agreed to a consent decree to resolve claims against the City for alleged violations of the Clean Water Act. The decree includes several provisions, including a long term control plan that requires the City to complete a construction program by December 31, 2031 at a cost of approximately \$509.5 million in 2007 dollars to comprehensively upgrade and expand the City's sewage collection, storage, conveyance, and treatment system.

Under this agreement South Bend was required to undertake a review of the Plan after 5 years and this review was completed in 2017. The review resulted in a revised plan that calls for a reduced investment of \$200 million in 2017 dollars. The plan will meet the same environmental goals and will still run to 2031. South Bend is currently working with State and Federal environmental regulators to have this new more cost-efficient plan formally endorsed.

Note 14 – Subsequent Events

In March 2020, the United States of America, the State of Indiana, and local county and city governments declared states of emergency related to the outbreak of the COVID-19 virus. This pandemic and the resulting impact on the local economy will have far-reaching effects on the City's financial condition, including the potential for the loss of future tax revenue and charges for services revenue, as well as increased expenses related to the response to, cleanup of, and economic recovery from the virus. The City continues to monitor and track the financial impact of this situation.

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, 2019 there were eight series of conduit debt obligations outstanding. The aggregate current principal outstanding on these debt obligations could not be determined, however, their original issue amounts totaled \$53,590,000. During 2019, the City approved no new conduit debt obligations.

Note 16 – Fund Balance Constraints

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

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT	Rainy Day	River West TIF	Nonmajor Funds	Total
Fund Balances									
Nonspendable									
Inventory	\$ -	\$ 15,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$15,686
Total Nonspendable	-	15,686	-	-	-	-	-	-	15,686
Restricted									
Debt service	-	-	-	-	-	-	-	11,332,302	11,332,302
General administration	-	-	-	-	-	-	-	2,449,580	2,449,580
Police and fire salaries	-	-	2,987,477	-	-	-	-	-	2,987,477
Public safety programs	-	-	-	-	-	-	-	868,162	868,162
Street maintenance	-	-	-	-	-	-	-	10,311,482	10,311,482
Economic development	-	-	-	-	-	-	36,590,192	34,575,001	71,165,193
Parks maintenance	-	2,630,246	-	-	-	-	-	-	2,630,246
Public safety capital	-	-	-	-	-	-	-	300,330	300,330
Cultural capital projects	-	-	-	-	-	-	-	11,868,713	11,868,713
Street capital projects	-	-	-	-	-	-	-	5,304,913	5,304,913
Total Restricted	-	2,630,246	2,987,477	-	-	-	36,590,192	77,010,483	119,218,398
Committed									
General administration	-	-	-	-	-	-	-	1,519,358	1,519,358
Public safety programs	-	-	-	-	-	-	-	160,316	160,316
Economic development	-	-	-	-	-	-	-	1,828,136	1,828,136
Cultural capital	-	-	-	-	-	-	-	987,647	987,647
Total Committed	-	-	-	-	-	-	-	4,495,457	4,495,457
Assigned									
General administration	820,834	-	-	12,643,539	17,708,502	10,770,099	-	-	41,942,974
Public safety programs	-	-	-	-	-	-	-	2,403	2,403
Street maintenance	-	-	-	-	-	-	-	430,490	430,490
Economic development	-	-	-	-	-	-	-	919,770	919,770
Total Assigned	820,834	-	-	12,643,539	17,708,502	10,770,099	-	1,352,663	43,295,637
Unassigned	42,478,766	-	-	-	-	-	-	(57,852)	42,420,914
Total fund balances	43,299,600	2,645,932	2,987,477	12,643,539	17,708,502	10,770,099	36,590,192	82,800,751	209,446,092

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

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

Note 17 – Segment Information

Types of Goods or Services Provided:

Used to account for the operations and purchases of necessary equipment for the Fire Department and Emergency Medical Services Department.

Condensed Statement of Net Position

Assets:	
Cash and cash equivalents	\$ 1,962,213
Receivables	1,470,995
Prepaid items	-
Restricted cash and cash equivalents	2,753,154
Capital assets (net of accumulated depreciation)	4,498,900
Total assets	<u>10,685,262</u>
Liabilities:	
Current liabilities	893,572
Mortgage bonds payable, net	4,277,600
Capital leases payable	825,922
Total liabilities	<u>5,997,094</u>
Net position:	
Net investment in capital assets	(1,057,532)
Restricted	2,195,207
Unrestricted	3,550,493
Total net position	<u>\$ 4,688,168</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating revenues	\$ 5,720,434
Other operating expenses	(7,181,408)
Depreciation expense	(484,641)
Operating income (loss)	<u>(1,945,615)</u>
Nonoperating revenues (expenses):	
Interest revenue	150,084
Interest expense	(198,938)
Gain on exchange of capital assets	10,607
Interfund transfers in	1,534,631
Interfund transfers out	(321,706)
Change in net position	<u>(770,937)</u>
Total net position - beginning	5,459,105
Total net position - ending	<u>\$ 4,688,168</u>

Condensed Statement of Cash Flows:

Net cash provided (used) by:	
Operating activities	\$ (1,740,323)
Noncapital financing activities	1,212,925
Capital and related financing activities	(1,586,508)
Investing activities	1,044,211
Net increase (decrease) in cash and cash equivalents	<u>(1,069,695)</u>
Cash and cash equivalents, January 1	2,644,114
Cash and cash equivalents, December 31	<u>\$ 1,574,419</u>

Note 18 – 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. Rm. 1200N, South Bend, IN 46601, Ph. (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, 2019, the City contributed \$774,470 to the plan for current premiums. Police and fire members receiving benefits contributed approximately 37 percent of the total premiums through their required contribution of \$214 per month for retiree-only coverage and approximately 43 percent of the total premiums through their required contribution of \$643 for retiree and spouse coverage. General employee members receiving benefits contributed approximately 100 percent of the total premiums through their required contribution of \$605 and \$552 per month for retiree-only coverage and \$1,587 and \$1,429 for retiree and spouse coverage for the PPO and HDHP plans, respectively.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Active employees with coverage	941
Active employees without coverage	148
Retirees	66
Total	1,155

Total OPEB Liability

The City's total OPEB liability of \$24,461,814 was measured as of December 31, 2019 but was determined by an actuarial valuation as of December 31, 2018.

Note 18 – Other Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 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 percent per year
Salary increases	2.25 percent, average, including inflation
Discount rate	4.11 percent as of December 31, 2018 and 3.44% as of January 1, 2018
Healthcare cost trend rates	9.0 percent for 2018, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2027 and later years
Retirees' share of benefit-related costs	approximately 37 percent for projected health insurance premiums for retirees approximately 43% fore retiree and spouse

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

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

The actuarial assumptions used in the December 31, 2019 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
Balance at 1-1-19	<u>\$ 23,206,087</u>
Changes for the year:	
Service cost	1,049,065
Interest	981,132
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(774,470)</u>
Net changes	<u>1,255,727</u>
Balance at 12-31-19	<u>\$ 24,461,814</u>

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending December 31, 2018.

Note 18 – 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, 2019, 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 (3.11 percent) or 1-percentage-point higher (5.11 percent) than the current discount rate:

	1% Decrease (3.11%)	Discount Rate (4.11%)	1% Increase (5.11%)
Total OPEB Liability	\$ 26,795,040	\$ 24,461,814	\$ 22,335,679

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 (8.5 percent decreasing to 4.5 percent) or 1-percentage-point higher (10.5 percent decreasing to 6.5 percent) than the current healthcare cost trend rate:

	1% Decrease (7.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.5% decreasing to 4.5%)	1% Increase (9.5% decreasing to 5.5%)
Total OPEB Liability	\$ 21,749,168	\$ 24,461,814	\$ 27,649,676

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$1,367,296. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,230,539	\$ -
Changes in assumptions or other inputs	-	(7,196,643)
Total	\$ 1,230,539	\$ (7,196,643)

Note 18 – Other Postemployment Benefits (Continued)

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

Year ended December 31:	Amount
2020	\$ (662,901)
2021	(662,901)
2022	(662,901)
2023	(662,901)
2024	(662,901)
Thereafter	(2,651,599)

Note 19 – Pension Plans

Plan Description

Public Employees' Retirement Fund

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

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

1925 Police Officers' Pension Plan

The City contributes to the 1925 Police Officers' Pension Plan, a single-employer defined benefit pension plan administered by the local pension board as authorized by state statute (IC 36-8-6). The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the 1925 Police Officers' Pension plan is vested in the pension board, which consists of nine members - six elected by plan members, the Mayor, the Chief, and the City Controller.

The pension plan is closed to new entrants.

1937 Firefighters' Pension Plan

The City contributes to the 1937 Firefighters' Pension Plan, a single-employer defined benefit pension plan administered by the 1937 Firefighters' Pension Plan Board as authorized by state statute (IC 36-8-7). 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.

Note 19 – Pension Plans (Continued)

The pension plan is closed to new entrants.

Benefits ProvidedPublic Employees' Retirement Fund

These plans provide retirement, disability and survivor benefits for public employees not covered by the 1977 Police Officers' and Firefighters' Pension and Disability Fund. The Indiana Code, Title 5, Articles 10.2 and 10.3, as amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the plan. The City of South Bend participates in two different plans for non-Public Safety positions: the PERF Hybrid Plan and the My Choice Retirement Savings Plan.

- *PERF Hybrid Plan:* PERF Hybrid consists of two components: a monthly, employer-funded defined benefit component and a member-funded defined contribution account. For the defined benefit component, retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 1.1 percent. 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:* 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 percent of first-class salary for 20 years of service plus one percent 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 percent of salary).. Normal retirement age is 52 with 20 years of creditable service, with early retirement at 50.

Employees are eligible for non-duty disability benefits after five years of service and for duty related disability benefits upon hire. Disability retirement benefits are 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 percent increase.

1925 Police Officers' Pension Plan

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The

Note 19 – Pension Plans (Continued)

plan was established by the plan administrator, as provided by state statute. The financial statements of the plan are included in these financial statements as a pension trust fund (a fiduciary fund).

1937 Firefighters' Pension Plan

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The financial statements of the plan are included in these financial statements as a pension trust fund (a fiduciary fund).

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	<u>1925 Police Officer's Pension Plan</u>	<u>1937 Firefighters' Pension Plan</u>
	December 31, 2019	December 31, 2019
Date of member count		
Inactive plan members or beneficiaries currently receiving benefits	197	143
Active plan members	<u>4</u>	<u>2</u>
Total employees covered by the plan	201	145

Contributions

Public Employees' Retirement Fund

Per Indiana Code, Title 5, Articles 10.2 and 10.3, the contribution requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. Employees are required to contribute 3 percent of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2019 was 11.2 percent of annual payroll for the PERF Hybrid plan and 10.2% of annual payroll for the MyChoice Plan. Contributions to the plan from the City were \$3,401,818 for the year ended December 31, 2019.

1977 Police Officers' and Firefighters' Pension and Disability Fund

Per Indiana State statute (IC 36-8-8 and IC 36-8-8.5), the contribution requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. Employees are required to contribute 6 percent of their annual pay. The City's contractually required contribution rate for the year ended December 31, 2019 was 17.5 percent of annual payroll. Contributions to the plan from the City were \$5,231,635 for the year ended December 31, 2019.

1925 Police Officers' Pension Plan

Plan members are required by state statute (IC § 36-8-6-4) to contribute an amount equal to six percent (6 percent) of the salary of a first class patrolman. The contribution requirements of plan members are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note. The net pension liability (NPL) is considered an obligation of the City and is reflected in the statement of net position. The State of Indiana is required by statute to reimburse the City for benefits paid and has contributed \$6,107,782 during 2019 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 19 – Pension Plans (Continued)

1937 Firefighters' Pension Plan

Plan members are required by state statute (IC § 36-8-7-8) to contribute an amount equal to six percent (6 percent) of the salary of a first-class firefighter. The contribution requirements of plan members are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note. The net pension liability (NPL) is considered an obligation of the City and is reflected in the statement of net position. The State of Indiana is required by statute to reimburse the City for benefits paid and has contributed \$4,462,993 during 2018 on behalf of the City. The City has recognized these on behalf payments as intergovernmental revenue and public safety expenditures in the General Fund.

Net Pension Liability

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

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability	1925 Police Officers'	1937 Firefighters'
Measurement date used for the City NPL	June 30, 2019	June 30, 2019	December 31, 2019	December 31, 2019
Based on a comprehensive actuarial valuation as of	June 30, 2019	June 30, 2019	December 31, 2019	December 31, 2019

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

1925 Police Officers' Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 81,564,082	\$ 949,185	\$ 80,614,897
Service cost	84,969	-	84,969
Interest	2,445,011	-	2,445,011
Plan Amendments	870,092	-	870,092
Experience (gains)/ losses	278,613	-	278,613
Assumption Changes	7,451,976	-	7,451,976
Non-employer contributing entity contributions	-	6,107,782	(6,107,782)
Net investment income	-	18,102	(18,102)
Benefit payments, including refunds	(6,112,665)	(6,363,550)	250,885
Administrative expenses	-	(10,304)	10,304
Net changes:	5,017,996	(247,970)	5,265,966
Balance at December 31, 2019	\$ 86,582,078	\$ 701,215	\$ 85,880,863

The plan's fiduciary net position represents 0.81 percent of the total pension liability.

Note 19 – Pension Plans (Continued)

1937 Firefighters Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$63,424,661	\$315,552	\$63,109,109
Service cost	62,978	-	62,978
Interest	1,865,607	-	1,865,607
Plan Amendments	941,442	-	941,442
Experience (gains)/ losses	(1,096,354)	-	(1,096,354)
Assumption Changes	5,758,955	-	5,758,955
Non-employer contributing entity contributions	-	4,462,993	(4,462,993)
Net investment income	-	9,432	(9,432)
Benefit payments, including refunds	(4,420,816)	(4,439,496)	18,680
Administrative expenses	-	(10,309)	10,309
Net changes:	3,111,812	22,620	3,089,192
Balance at December 31, 2019	\$66,536,473	\$338,172	\$66,198,301

The plan's fiduciary net position represents 0.51 percent of the total pension liability.

Public Employees' Retirement Fund

At December 31, 2019, the City reported a liability of \$19,576,553 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's actuarially required contribution for the year ended December 31, 2019, relative to all other contributing employers. At June 30, 2019, the City's proportion was 0.59232 percent, which was an increase of 0.00909% from its proportion measured as of June 30, 2018.

1977 Police Officers' and Firefighters' Pension and Disability Fund

At December 31, 2019, the City reported a liability of \$311,680 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's actuarially required contribution for the year ended December 31, 2019, relative to all other contributing employers. At June 30, 2019, the City's proportion was 3.38195 percent, which was a decrease of 0.05551 from its proportion measured as of June 30, 2018.

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

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 19 – Pension Plans (Continued)

Public Employees' Retirement Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 518,380	\$ -
Changes in assumptions	4,358	2,128,116
Net difference between projected and actual earnings on pension plan investments	-	925,334
Employer contributions to the plan subsequent to the measurement date	1,764,247	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	354,820	33,330
Total	<u>\$ 2,641,805</u>	<u>\$ 3,086,780</u>

1977 Police Officers' and Firefighters' Pension and Disability Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,664,269	\$ 1,105,854
Changes in assumptions	-	5,372,895
Net difference between projected and actual earnings on pension plan investments	-	2,829,522
Employer contributions to the plan subsequent to the measurement date	2,628,998	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	114,547	87,745
Total	<u>\$ 8,407,814</u>	<u>\$ 9,396,016</u>

1925 Police Officers' Pension Plan

	Deferred Inflows of Resources
Investment experience	<u>\$ 1,028</u>

1937 Firefighters' Pension Plan

	Deferred Inflows of Resources
Investment experience	<u>\$ 2,790</u>

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 19 – Pension Plans (Continued)

Public Employees' Retirement Fund

Year Ending June 30	Amount
2020	\$ (606,287)
2021	(1,305,182)
2022	(225,906)
2023	(71,847)
2024	-
Thereafter	-
Total	\$ (2,209,222)

1977 Police Officers' and Firefighters' Pension and Disability Fund

Year Ending June 30	Amount
2020	\$ (391,810)
2021	(2,201,867)
2022	(1,780,644)
2023	(804,926)
2024	380,673
Thereafter	1,181,374
Total	\$ (3,617,200)

1925 Police Officers' Pension Plan

Year Ending June 30	Amount
2020	\$ (244)
2021	(244)
2022	(245)
2023	(295)
2024	-
Thereafter	-
Total	\$ (1,028)

1937 Firefighters' Pension Plan

Year Ending June 30	Amount
2020	\$ (669)
2021	(669)
2022	(670)
2023	(782)
2024	-
Thereafter	-
Total	\$ (2,790)

Note 19 – Pension Plans (Continued)

Actuarial Assumptions

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

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases (including inflation)	2.5-4.25%	2.50%	2.50%	2.50%
Investment rate of return (net of investment expenses)	6.75%	6.75%	1.75%	1.75%
Mortality rates	RP-2014 Mortality Table with adjustments for mortality improvements based on Social Security Administration 2014 Trustee Report	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on Social Security Administration 2014 Trustee Report	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on Social Security Administration 2014 Trustee Report	RP-2014 Blue Collar Set Mortality Table with adjustments for mortality improvements based on Social Security Administration 2014 Trustee Report

The actuarial assumptions used in the June 30, 2019 actuarial valuation date valuation were based on the results of an actuarial experience study for the four years ended June 30, 2014.

Discount Rate

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation update.

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	1925 Police Officers' Pension Plan	1937 Firefighters' Pension Plan
Assumed investment rate of return	6.75%	6.75%	1.75%	1.75%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes	No	No
Discount rate used to measure TPL	6.75%	6.75%	2.13%	2.13%

1925 Police Officers' Pension Plan's and 1937 Firefighters' Pension Plan's fiduciary net position were not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.13 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond (as referenced in The Wall Street Journal, December 31, 2017).

Note 19 – Pension Plans (Continued)

Investment Rate of Return Best estimates of geometric real rates of return as of the June 30, 2018 measurement date for the Public Employees’ Retirement Fund and 1977 Police Officers’ and Firefighters’ Pension and Disability Fund and December 31, 2018 measurement date for the 1925 Police Officers’ Pension Plan and 1937 Firefighters’ Pension Plan, and for each major asset class included in the pension plan’s target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Public Employees’ Retirement Fund and 1977 Police Officers’ and Firefighters’ Pension and Disability Fund

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity	22%	4.9%
Private Equity	14%	7.0%
Fixed Income - Ex Inflation-Linked	20%	2.5%
Fixed Income - Inflation-Linked	7%	1.3%
Commodities	8%	2.0%
Real Estate	7%	6.7%
Absolute Return	10%	2.9%
Risk Parity	12%	5.3%

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%

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

Pension Plan	1% Decrease (5.75%)	Discount (6.75%)	1% Increase (7.75%)
Public Employees’ Retirement Fund	\$ 31,440,203	\$ 19,576,553	\$ 9,681,362
1977 Police Officers’ and Firefighters’ Pension and Disability Fund	\$ 34,488,465	\$ 311,680	\$ (27,290,585)

Note 19 – Pension Plans (Continued)

Pension Plan	1% Decrease (1.13%)	Discount (2.13%)	1% Increase (3.13%)
1925 Police Officers' Pension Plan	\$ 95,192,461	\$ 85,880,863	\$ 78,000,224
1937 Firefighters' Pension Plan	\$ 73,501,980	\$ 66,198,301	\$ 60,026,990

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 available at www.in.gov/inprs/files/2018_INPRSCAFRBook.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 when due and payable in accordance with the benefit terms.

Assumption Changes

There were no actuarial assumptions' changes in the Public Employees Retirement Fund (PERF) and the 1977 Police Officers' and Firefighters' Pension and Disability Fund that impacted the net pension liability.

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

Note 19 – Pension Plans (Continued)

- Discount rate: The discount rate used for the December 31, 2019 valuation was 2.13%, as directed by INPRS, based on the Barclay’s 20-year Municipal Bond Index as of December 31, 2019. This is a decrease from the 3.10% used for the December 31, 2018 valuation.
- Cost-of-living-adjustment (COLA): For converted members, the July 1, 2019 COLA was updated from the ongoing valuation assumption of 2.0% to reflect the known increase of 1.6%. Beginning July 1, 2020 the assumption reverts back to the assumed annual rate of 2.0%. For non-converted members, there was no change from the rate of 2.5%.

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, 2019:

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

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.75 percent. 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</u>	<u>Pension Expenses (Income)</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Public Employees' Retirement Fund	\$ 19,576,553	\$ 3,534,744	\$ 3,086,780	\$ 2,641,805
1977 Police Officers and Firefighters Pension and Disability Fund	311,680	10,700,760	9,396,016	8,407,814
1925 Police Officers' Pension Plan	85,880,863	11,113,806	1,028	-
1937 Firefighters' Pension Plan	66,198,301	7,526,437	2,790	-
Total Aggregate Amounts	<u>\$ 171,967,397</u>	<u>\$ 32,875,747</u>	<u>\$ 12,486,614</u>	<u>\$ 11,049,619</u>

Note 20 – Pension Trust Fund

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

	1925 Police Pension	1937 Fire Pension	Total
Statement of Net Position			
Cash and investments	\$ 698,148	\$ 336,502	\$ 1,034,650
Other assets	3,168	1,741	4,909
Liabilities	(101)	(70)	(171)
Net position	<u>701,215</u>	<u>338,173</u>	<u>1,039,388</u>
Statement of Changes in Net Position:			
Investment income	18,102	9,432	27,534
Contributions	6,113,778	4,466,993	10,580,771
Benefit payments	(6,365,546)	(4,439,495)	(10,805,041)
Other deductions	(14,304)	(14,309)	(28,613)
Net change in net position	<u>\$ (247,970)</u>	<u>\$ 22,621</u>	<u>\$ (225,349)</u>

Note 21 – Reporting Change and Prior Period Adjustment

The City made three prior period adjustments for the presentation of the year ended December 31, 2018.

First, during the current year, the City adopted GASB Statement 84, Fiduciary Activities. As a result, the government-wide statements now include financial activities of two funds previously recognized as private purpose trust funds, and now recognized as special revenue funds under GASB 84 criteria. These two funds are the City Cemetery Fund and the Bowman Cemetery Fund. The effect of these new standards was an increase of \$485,158 in net position of governmental activities as of January 1, 2019.

In addition, during the year, the City discovered two misstatements in the presentation of the 2018 financial statements:

- The City omitted two capital projects for parking garage improvements, which should have been reported as construction in progress and were instead reported as expenses. This misstatement had the effect of understating assets and overstating expenses in 2018 by \$1,105,815 on the 2018 CAFR.
- The City incorrectly reported the balance of loans receivable in the DCI Federal Grants fund. This misstatement had the effect of understating assets and fund balance by \$1,568.

The effect of these prior period adjustments is shown below:

	Governmental Activities	Business-type Activities
Net position - December 31, 2018, as previously reported	\$ 158,108,149	\$ 210,685,460
Adjustment for implementation of GASB Statement 84	485,158	-
Adjustment to correct 2018 activity in Governmental Activities- DCI Federal Grants Fund	1,568	-
Adjustment to correct 2018 activity in Business-type Activities- Parking Garage Fund	-	1,105,815
Net position - December 31, 2018, as restated	<u>\$ 158,594,875</u>	<u>\$ 211,791,275</u>

Note 22 – Closure and Postclosure Care Cost

As of January 1, 2008, the City of South Bend's Biosolids Lagoon #4 site has been closed. The City is required to maintain the one-acre site by monitoring methane and groundwater and maintain the site (mowing, cover inspection, gas collection system inspection, cover repair, ditch maintenance, etc.). The closure and postclosure care costs are reported as operating expenses, as incurred. For the year ending December 31, 2019, the total expenses incurred were \$10,163.25. The remaining expected liability relating to postclosure costs is estimated at less than \$250,000 and due to the minimal nature of these expenditures, is not included in the financial statements. This estimate is subject to changes due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

Note 23 – 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, 2019, the City abated property taxes totaling \$1,766,580 under this program. Two properties had property taxes abated that exceeded 10 percent of the total amount. For these properties the taxes abated were \$522,771 and \$209,472.

Required Supplementary Information

City of South Bend, Indiana

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

**Last Six Fiscal Years
Years Ended December 31**

	<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%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

City of South Bend, Indiana

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 6,363,550	\$6,161,954	\$6,119,059	\$ 6,133,389	\$6,073,049	\$6,432,800	\$6,633,200	\$6,986,200	\$7,317,800	\$6,673,100
Contributions in relation to the actuarially determined contribution	<u>6,107,782</u>	<u>6,220,658</u>	<u>6,204,179</u>	<u>6,364,236</u>	<u>6,323,645</u>	<u>6,116,195</u>	<u>5,837,216</u>	<u>6,776,614</u>	<u>6,512,842</u>	<u>5,805,597</u>
Contribution (Deficiency) Excess	<u>\$ (255,768)</u>	<u>\$ 58,704</u>	<u>\$ 85,120</u>	<u>\$ 230,847</u>	<u>\$ 250,596</u>	<u>\$ (316,605)</u>	<u>\$ (795,984)</u>	<u>\$ (209,586)</u>	<u>\$ (804,958)</u>	<u>\$ (867,503)</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$441,200	\$441,200	\$430,000	\$421,800	\$542,900	\$569,500
Contributions as a Percentage of Covered Payroll	0.0%	0.0%	0.0%	0.0%	1433.3%	1386.3%	1357.5%	1606.6%	1199.6%	1019.4%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increase	2.50% per year
Investment rate of return	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	RP-2014 Blue Collar Mortality Tables with MP-2014 improvement removed, and with future mortality improvement projected generational using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report
Other information	Cost of living increases of 2.50% per year in retirement for non-converted and 1.60% on July 1, 2019; 2.00% thereafter for converted

City of South Bend, Indiana

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

Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 84,969	\$ 92,916	\$ 78,812	\$ 164,481	\$ 184,104	\$ 157,965
Interest	2,445,011	2,337,437	2,653,831	2,344,653	2,415,583	3,721,864
Experience (gains)/losses	(561,561)	2,284,134	995,949	396,259	(2,973,249)	-
Plan amendments	840,174	-	-	-	-	-
Changes in assumptions	7,449,252	(2,697,730)	3,926,922	(5,617,308)	(294,402)	12,487,771
Projected benefit payments	(6,112,665)	(6,146,696)	(6,045,097)	(5,977,290)	(6,061,589)	(6,122,870)
Net Change in Total Pension Liability	4,145,180	(4,129,939)	1,610,417	(8,689,205)	(6,729,553)	10,244,730
Total Pension Liability - Beginning of year	81,564,082	85,694,021	84,083,604	92,772,809	99,502,362	89,257,632
Total Pension Liability - End of year	<u>\$ 85,709,262</u>	<u>\$ 81,564,082</u>	<u>\$ 85,694,021</u>	<u>\$ 84,083,604</u>	<u>\$ 92,772,809</u>	<u>\$ 99,502,362</u>
Plan Fiduciary Net Position						
Contributions - Other	\$ -	\$ -	\$ 13,544	\$ 15,749	\$ 62	\$ 4,329
Contributions - Non-employer Entity	6,107,782	6,220,658	6,204,179	5,991,750	6,378,359	6,111,865
Net investment income	18,102	15,219	6,557	6,713	4,376	3,759
Administrative expenses	(10,304)	(10,054)	(13,577)	(13,551)	(12,462)	(10,957)
Benefit payments, including refunds	(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	(247,970)	63,869	91,458	(363,575)	46,689	(596,819)
Plan Fiduciary Net Position - Beginning of year	949,185	885,316	793,858	1,157,433	1,110,743	1,707,562
Plan Fiduciary Net Position - End of year	\$ 701,215	\$ 949,185	\$ 885,316	\$ 793,858	\$ 1,157,432	\$ 1,110,743
City's Net Pension Liability - Ending	<u>\$85,008,047</u>	<u>\$80,614,897</u>	<u>\$84,808,705</u>	<u>\$83,289,746</u>	<u>\$ 1,615,377</u>	<u>\$98,391,619</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	0.82%	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 Six Fiscal Years
Years Ended December 31**

	<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%	0.80%	1.00%	0.80%	0.60%

Information is presented for the years available

City of South Bend, Indiana

**Required Supplementary Information
1937 Firefighters' Pension Plan Schedule of Contributions**

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$4,439,496	\$4,618,617	\$4,727,592	\$5,152,192	\$4,977,042	\$5,436,400	\$5,550,900	\$5,787,300	\$6,399,700	\$5,811,400
Contributions in relation to the actuarially determined contribution	<u>4,462,993</u>	<u>4,472,469</u>	<u>4,920,712</u>	<u>5,165,758</u>	<u>5,197,158</u>	<u>5,130,581</u>	<u>5,051,319</u>	<u>5,208,570</u>	<u>5,503,742</u>	<u>5,172,146</u>
Contribution (Deficiency) Excess	<u>\$23,497</u>	<u>\$(146,148)</u>	<u>\$193,120</u>	<u>\$13,566</u>	<u>\$220,116</u>	<u>\$(305,819)</u>	<u>\$(499,581)</u>	<u>\$(578,730)</u>	<u>\$(895,958)</u>	<u>\$(639,254)</u>
Covered Payroll	\$-	\$-	\$-	\$-	\$328,600	\$328,600	\$319,300	\$365,500	\$397,100	\$429,500
Contributions as a Percentage of Covered Payroll	- %	- %	- %	- %	1581.61%	1561.30%	1582.00%	1425.10%	1386.00%	1204.20%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Not applicable. Benefits are funded on a pay-as-you-go basis
Inflation	2.25% per year
Salary increase	2.50% per year
Investment rate of return	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	RP-2014 Blue Collar Mortality Tables with MP-2014 improvement removed, and with future mortality improvement projected generational using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report
Other information	Cost of living increases of 2.50% per year in retirement for non-converted and 1.60% on July 1, 2019; 2.00% thereafter for converted

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

	Last Six Fiscal Years					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$62,978	\$98,529	\$81,717	\$163,162	\$155,487	\$114,297
Interest	1,865,607	1,815,032	2,124,050	1,940,826	2,020,796	3,155,669
Experience (gains)/losses	(1,096,354)	(482,208)	(1,611,010)	(262,337)	(2,816,692)	-
Plan amendments	941,442	-	-	-	-	-
Changes in assumptions	5,758,955	(2,105,211)	3,179,702	(4,645,609)	(245,887)	9,620,657
Projected benefit payments	(4,420,816)	(4,572,612)	(4,727,592)	(4,980,991)	(5,094,762)	(5,206,870)
Net Change in Total Pension Liability	3,111,812	(5,246,470)	(953,133)	(7,784,949)	(5,981,058)	7,683,753
Total Pension Liability - Beginning of year	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>\$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	4,462,993	4,472,469	4,920,712	4,866,271	5,039,025	5,129,098
Net investment income	9,432	7,596	3,352	2,852	2,675	1,963
Administrative expenses	(10,309)	(12,154)	(14,771)	(14,485)	(14,255)	(10,920)
Benefit payments, including refunds	(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	22,620	(150,706)	299,064	(304,841)	(167,047)	(285,804)
Plan Fiduciary Net Position - Beginning of year	315,552	466,258	167,194	472,035	639,081	924,885
Plan Fiduciary Net Position - End of year	\$338,172	\$315,552	\$466,258	\$167,194	\$472,034	\$639,081
City's Net Pension Liability - Ending	<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	0.51%	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 Five Fiscal Years
Years Ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,534,744	\$ 3,302,670	\$ 5,307,308	\$ 4,526,527	\$ 3,650,212
Contributions in relation to the actuarially determined contributions	<u>3,401,818</u>	<u>3,309,216</u>	<u>3,219,677</u>	<u>2,933,996</u>	<u>2,982,234</u>
Contribution Deficiency	<u>\$ 132,926</u>	<u>\$ (6,546)</u>	<u>\$ 2,087,631</u>	<u>\$ 1,592,531</u>	<u>\$ 667,978</u>
Covered Payroll	\$30,860,389	\$29,759,859	\$28,768,543	\$26,237,016	\$26,681,229
Contributions as a Percentage of Covered Payroll	11.0%	11.1%	11.2%	11.2%	11.2%

Information is presented for the years available

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
 Amortization method Level percent of payroll
 Actuarial Amortization Period for Unfunded Liability 20 years, closed
 Remaining amortization period 24 years
 Asset valuation method Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Fair Value of Assets subject to a 20% corridor
 Inflation 2.25% per year
 Salary increase 2.50% to 4.25% per year
 Investment rate of return 6.75% per year, includes inflation and net of administrative and investment expenses
 Retirement age Normal retirement ages are age 65 and 10 years (eight years for certain elected officials) of 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 RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
 Other information In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed:
 .04% beginning on January 1, 2022
 .05% beginning on January 1, 2034
 .06% 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 Six Fiscal Years Years Ended June 30					
	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.59232%	0.58323%	0.57988%	0.54700%	0.55700%	0.56300%
City's proportionate share of the net pension liability (asset)	\$ 19,576,553	\$ 19,812,587	\$ 25,871,598	\$ 24,845,715	\$ 22,687,694	\$ 14,807,363
City's Covered Payroll	\$ 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	63.44%	66.57%	89.93%	94.70%	85.00%	53.83%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%

Information is presented for the years available

City of South Bend, Indiana

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

**Last Five Fiscal Years
Years Ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$5,137,820	\$1,702,380	\$2,143,623	\$2,029,937	\$709,017
Contributions in relation to the actuarially determined contributions	<u>2,517,402</u>	<u>2,433,268</u>	<u>2,600,280</u>	<u>2,673,614</u>	<u>2,625,418</u>
Contribution Deficiency	<u>(2,620,418)</u>	<u>730,888</u>	<u>456,657</u>	<u>643,677</u>	<u>1,916,401</u>
Covered Payroll	\$14,385,011	\$13,896,923	\$13,968,031	\$13,571,531	\$13,327,077
Contributions as a Percentage of Covered Payroll	17.5%	17.5%	18.6%	19.7%	19.7%

Information is presented for the years available

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Actuarial Amortization Period for Unfunded Liability	30 years, open
Remaining amortization period	30 years, open
Asset valuation method	Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor
Inflation	2.25% per year
Salary increase	2.50% per year
Investment rate of return	6.75% per year, includes inflation and net of administrative and investment expenses
Retirement age	Normal retirement is age 52 with 20 years of service; early retirement is age 50 with 20 years of service (reduced benefit)
Mortality	RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report
Other information	Cost of living increases of 2.0% per year, beginning July 1, 2020

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 Six Fiscal Years
 Years Ended June 30**

	<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)	1.62738%	1.6501%	1.72294%	1.75600%	1.78700%	1.82900%
City's proportionate share of the net pension liability (asset)	\$149,979	\$(1,450,622)	\$(265,770)	\$1,559,932	\$(2,640,039)	\$(932,236)
City's Covered Payroll	\$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	1.04%	-10.44%	-1.90%	11.49%	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.90%	101.50%	100.3%	98.2%	103.2%	101.1%

Information is presented for the years available

City of South Bend, Indiana

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

**Last Five Fiscal Years
Years Ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 5,562,940	\$ 1,867,174	\$ 2,232,482	\$ 2,053,907	\$ 743,238
Contributions in relation to the actuarially determined contributions	<u>2,714,233</u>	<u>2,634,358</u>	<u>2,677,560</u>	<u>2,673,917</u>	<u>2,666,116</u>
Contribution Deficiency	<u>\$ 2,848,707</u>	<u>\$ (767,184)</u>	<u>\$ (445,078)</u>	<u>\$ (620,010)</u>	<u>\$ (1,922,878)</u>
Covered Payroll	15,509,357	15,052,876	14,398,217	\$ 13,588,032	\$ 13,533,745
Contributions as a Percentage of Covered Payroll	17.50%	17.50%	18.60%	19.68%	19.70%

Information is presented for the years available

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Actuarial Amortization Period for Unfunded Liability	30 years, open
Remaining amortization period	30 years, open
Asset valuation method	Actuarial Value of Assets is equal to a five-year smoothing of gains and losses on the Market Value of Assets subject to a 20% corridor
Inflation	2.25% per year
Salary increase	2.50% per year
Investment rate of return	6.75% per year, includes inflation and net of administrative and investment expenses
Retirement age	Normal retirement is age 52 with 20 years of service; early retirement is age 50 with 20 years of service (reduced benefit)
Mortality	RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report
Other information	Cost of living increases of 2.0% per year, beginning July 1, 2020

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 Six Fiscal Years
 Years Ended June 30**

	<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)	1.75457%	1.78736%	1.77600%	1.75800%	1.81500%	1.79500%
City's proportionate share of the net pension liability (asset)	\$ 161,701	\$ (1,571,289)	\$ (273,955)	\$ 1,561,833	\$ (2,680,987)	\$ (915,265)
City's Covered Payroll	\$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	1.04%	-10.44%	-1.90%	11.49%	(19.8)%	(7.2)%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.90%	101.50%	100.3%	98.2%	103.2%	101.1%

Information is presented for the years available

City of South Bend, Indiana

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

**Last Two Fiscal Years
Years Ended December 31**

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

Information is presented for the years available

Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund
 December 31, 2019

	General Fund			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 41,142,970	\$ 41,142,970	\$ 42,705,987	\$ 1,563,017
Licenses and permits	240,950	277,232	283,282	6,050
Intergovernmental	4,469,884	5,068,287	5,200,646	132,359
Charges for services	1,388,477	1,389,260	1,423,324	34,064
Fines and forfeitures	8,620	20,479	24,068	3,589
Investment income	300,000	720,000	906,676	186,676
Other	10,695,314	10,817,389	10,726,871	(90,518)
Total revenues	58,246,215	59,435,617	61,270,854	1,835,237
Expenditures:				
Current:				
General government:				
Mayor:				
Personnel services	743,094	744,494	719,047	25,447
Supplies	700	864	750	114
Other services and charges	150,721	329,391	324,609	4,782
City Clerk:				
Personnel services	370,949	370,949	344,272	26,677
Supplies	6,800	14,013	11,385	2,628
Other services and charges	148,514	161,307	157,464	3,843
Common Council:				
Personnel services	330,080	330,080	295,757	34,323
Supplies	6,375	6,465	2,874	3,591
Other services and charges	290,213	307,050	271,169	35,881
WNIT Contract:				
Other services and charges	43,000	43,000	43,000	-
Administration/Finance:				
Personnel services	2,213,161	2,183,161	2,122,128	61,033
Supplies	23,500	24,478	21,681	2,797
Other services and charges	333,602	364,912	342,768	22,144
Legal Department:				
Personnel services	1,144,749	1,144,749	1,049,814	94,935
Supplies	3,450	3,450	1,968	1,482
Other services and charges	130,819	130,819	125,800	5,019
Human Rights:				
Personnel services	278,118	260,908	147,533	113,375
Supplies	1,037	1,037	1,022	15
Other services and charges	106,551	110,051	108,743	1,308
Total general government	6,325,433	6,531,178	6,091,784	439,394

Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund (Continued)

December 31, 2019

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Public safety:				
Police Department:				
Personnel services	23,448,744	23,160,744	22,493,452	667,292
Supplies	1,106,298	1,128,331	956,774	171,557
Other services and charges	6,699,472	7,042,944	6,509,173	533,771
Capital outlay	-	102,885	102,885	-
Fire Department:				
Personnel services	17,054,895	17,204,895	16,828,269	376,626
Supplies	615,422	673,053	625,899	47,154
Other services and charges	3,367,778	3,815,520	3,744,232	71,288
<u>Total public safety</u>	<u>52,292,609</u>	<u>53,128,372</u>	<u>51,260,684</u>	<u>1,867,688</u>
Highways and streets:				
Engineering:				
Personnel services	2,366,514	2,316,514	2,146,659	169,855
Supplies	24,450	43,952	13,689	30,263
Other services and charges	620,126	859,655	806,426	53,229
Capital outlay	-	-	-	-
Office of Sustainability:				
Personnel services	126,074	126,074	107,643	18,431
Supplies	22,300	22,300	21,204	1,096
Other services and charges	130,441	130,441	94,341	36,100
Capital outlay	-	50,000	50,000	-
AmeriCorps Program:				
Personnel services	135,066	355,066	284,780	70,286
Supplies	56,590	128,757	47,887	80,870
Other services and charges	241,461	229,416	40,053	189,363
<u>Total highways and streets</u>	<u>3,723,022</u>	<u>4,262,175</u>	<u>3,612,682</u>	<u>649,493</u>
Culture and recreation:				
Morris Performing Arts Center:				
Personnel services	766,797	701,797	529,510	172,287
Supplies	23,600	38,830	33,118	5,712
Other services and charges	506,505	578,500	545,763	32,737
Capital outlay	-	25,000	22,230	2,770
Palais Royale Ballroom:				
Personnel services	162,026	162,026	138,282	23,744
Supplies	13,600	13,600	5,651	7,949
Other services and charges	270,561	290,806	223,309	67,497
Capital outlay	15,000	15,000	-	15,000
<u>Total culture and recreation</u>	<u>1,758,089</u>	<u>1,825,559</u>	<u>1,497,863</u>	<u>327,696</u>
<u>Total expenditures</u>	<u>64,099,153</u>	<u>65,747,284</u>	<u>62,463,013</u>	<u>3,284,271</u>

Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund (Continued)

December 31, 2019

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Budgetary Basis Amounts	
	Original	Final		
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	44,169	44,169	-
Transfers in	6,460,990	6,475,990	6,475,990	-
Transfers out	(608,052)	(608,052)	(608,052)	-
Net change in fund balances	-	(399,560)	4,719,948	5,119,508
Fund balances - Beginning	38,944,317	38,944,317	38,944,317	-
Fund balances - Ending	\$ 38,944,317	\$ 38,544,757	\$ 43,664,265	\$ 5,119,508

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 9,680,317	\$ 9,680,317	\$ 10,048,047	\$ 367,730
Intergovernmental	3,770,180	5,174,491	4,526,393	(648,098)
Charges for services	3,583,861	2,698,780	2,583,508	(115,272)
Investment income	30,996	126,000	140,690	14,690
Other	927,000	2,026,359	2,035,757	9,398
Total revenues	17,992,354	19,705,947	19,334,395	(371,552)
Expenditures:				
Current:				
Culture and recreation:				
Personnel services	8,282,108	7,934,285	7,822,075	112,210
Supplies	1,462,641	1,613,196	1,350,221	262,975
Other services and charges	6,158,678	6,802,475	6,451,917	350,558
Capital outlay	4,473,205	9,394,146	9,387,819	6,327
Total expenditures	20,376,632	25,744,102	25,012,032	732,070
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	8,160	8,160	-
Transfers in	400,000	410,867	410,867	-
Net change in fund balances	(1,984,278)	(5,619,128)	(5,258,610)	360,518
Fund balances - Beginning	8,298,306	8,298,306	8,298,306	-
Fund balances - Ending	\$ 6,314,028	\$ 2,679,178	\$ 3,039,696	\$ 360,518

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County option income tax	\$ 8,560,555	\$ 9,205,130	\$ 9,205,130	\$ -
Investment income	6,000	65,100	78,327	13,227
Total revenues	<u>8,566,555</u>	<u>9,270,230</u>	<u>9,283,457</u>	<u>13,227</u>
Expenditures:				
Current:				
Public safety:				
Personnel services	<u>8,566,555</u>	<u>8,566,555</u>	<u>7,982,259</u>	<u>584,296</u>
Net change in fund balances	-	703,675	1,301,198	597,523
Fund balances - Beginning	<u>1,958,708</u>	<u>1,958,708</u>	<u>1,958,708</u>	<u>-</u>
Fund balances - Ending	<u>\$ 1,958,708</u>	<u>\$ 2,662,383</u>	<u>\$ 3,259,906</u>	<u>\$ 597,523</u>

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County option income tax	\$ 12,148,294	\$ 12,879,847	\$ 12,879,847	\$ -
Intergovernmental	-	12,500	12,500	-
Investment income	95,000	296,750	348,410	51,660
Other	60,000	83,872	88,772	4,900
Total revenues	12,303,294	13,272,969	13,329,529	56,560
Expenditures:				
Current:				
General government:				
Supplies	140,000	278,101	262,212	15,889
Other services and charges	7,823,965	11,527,421	11,246,195	281,226
Capital outlay	405,000	668,863	643,719	25,144
Total expenditures	8,368,965	12,474,385	12,152,126	322,259
Other Financing Sources (Uses):				
Transfers in	830,000	927,077	927,077	-
Transfers out	(4,764,329)	(4,764,329)	(4,764,329)	-
Net change in fund balances	-	(3,038,668)	(2,659,849)	378,819
Fund balances - Beginning	11,799,456	11,799,456	11,799,456	-
Fund balances - Ending	\$ 11,799,456	\$ 8,760,788	\$ 9,139,607	\$ 378,819

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County economic development income tax	\$ 11,632,846	\$ 12,474,651	\$ 12,474,651	\$ -
Fines and forfeitures	354,660	354,660	354,660	-
Investment income	140,000	393,400	463,996	70,596
Other	150,000	155,994	156,230	236
Total revenues	12,277,506	13,378,705	13,449,537	70,832
Expenditures:				
Current:				
General government:				
Other services and charges	5,921,967	8,210,681	7,999,789	210,892
Capital outlay	525,000	665,000	514,954	150,046
Total expenditures	6,446,967	8,875,681	8,514,743	360,938
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	1,907	4,395	2,488
Transfers in	-	178,534	178,534	-
Transfers out	(5,781,521)	(5,827,521)	(5,826,504)	1,017
Net change in fund balances	49,018	(1,144,056)	(708,781)	435,275
Fund balances - Beginning	15,134,269	15,134,269	15,134,269	-
Fund balances - Ending	\$ 15,183,287	\$ 13,990,213	\$ 14,425,488	\$ 435,275

Required Supplementary Information
 Budgetary Comparison Schedules
 Major Special Revenue Funds (Continued)
 Rainy Day Fund
 December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 160,000	\$ 246,000	\$ 289,770	\$ 43,770
Net change in fund balances	160,000	246,000	289,770	43,770
Fund balances - Beginning	10,464,997	10,464,997	10,464,997	-
Fund balances - Ending	<u>\$ 10,624,997</u>	<u>\$ 10,710,997</u>	<u>\$ 10,754,767</u>	<u>\$ 43,770</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).
- c. Encumbrances are recorded as expenditures for budgetary purposes when purchase orders are issued.

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

	<u>General</u>	<u>Parks and Recreation</u>	<u>Public Safety LOIT</u>	<u>COIT</u>	<u>EDIT</u>	<u>Rainy Day</u>
Net change in fund balances (budgetary basis)	\$ 4,719,948	\$ (5,258,610)	\$ 1,301,198	\$ (2,659,849)	\$ (708,781)	\$ 289,770
Adjustments:						
To adjust revenues for accruals	10,602,662	235,179	4,468	(44,225)	576,057	11,603
To adjust expenditures for accruals	(11,473,644)	(343,653)	(155,266)	104,751	(423,121)	-
To adjust expenditures for encumbrances	<u>820,834</u>	<u>617,555</u>	<u>-</u>	<u>3,607,470</u>	<u>2,997,827</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ 4,669,800</u>	<u>\$ (4,749,529)</u>	<u>\$ 1,150,400</u>	<u>\$ 1,008,147</u>	<u>\$ 2,441,982</u>	<u>\$ 301,373</u>

Note 1 – Budgets and Budgetary Accounting

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

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

Major governmental funds:

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

Note 1 – Budgets and Budgetary Accounting (Continued)

Nonmajor governmental funds:

- *Special Revenue Funds* - Motor Vehicle Highway, Studebaker Oliver Revitalization Grants, Economic Development State Grants, DCI Operating, DCI Federal Grants, Police State Seizure, Gift Donation Bequest, Police Curfew Violation, Unsafe Building, Law Enforcement Continuing Education, Rental Units Regulation, Loss Recovery, Code Enforcement, Local Road and Street, LOIT 2016 Special Distribution, Human Rights Federal Grants, Local Road and Bridge Grant, MVH Restricted, Morris and Palais Marketing, Morris PAC Self Promoted Events, Police Block Grants, Hazmat, Indiana River Rescue, Regional Police Academy, COPS MORE Grant, Federal Drug Enforcement, Urban Development Action Grant, Leaf Collection and Removal, Police K-9 Unit, Morris/Palais Box Office, City Cemetery, Bowman Cemetery, Industrial Revolving Fund.
 - *Debt Service Funds* - 2017 Park Bond Debt Service, College Football Hall of Fame Debt Service, Redevelopment Bond Airport Taxable, Coveleski Bond Debt Service Reserve, Redevelopment Bond Palais Royale, Fire Station #9 Debt Service, 2018 TIF Park Bond Debt Service Reserve, Century Center Energy Conservation Debt Service, Redevelopment Authority Debt Service, South Bend Building Corporation Debt Service, 2015 Smart Streets Bond Debt Service, 2015 Park Bond Debt Service, 2017 Eddy St. Commons Bond Debt Service
 - *Capital Projects Funds* – 2019 South Shore Double Tracking Bond Capital, Professional Sports Development, Coveleski Stadium Capital, Cumulative Capital Development, Cumulative Capital Improvement, Major Moves, Morris Performing Arts Center Capital, Redevelopment Retail Area (Leighton Plaza), Redevelopment General, TIF – West Washington, TIF - River East Development, TIF - Southside Development Area No. 1, TIF - Douglas Road, TIF - River East Residential, Certified Technology Park, Palais Royale Historic Preservation, Airport Urban Enterprise Zone, 2018 Fire Station #9 Bond Capital, 2018 TIF Park Bond Capital, 2018 Zoo Bond Capital, 2017 Park Bond Capital, Equipment Vehicle Leasing, 2015 Park Bond Capital, 2015 Smart Streets Bond Capital, 2017 Eddy St. Commons Bond Capital
- G. The City's budgetary process is based upon cash outflows, which is a non-GAAP basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Common Council and approved by the Indiana Department of Local Government Finance in the regular legal manner. The net effect of individual amendments to the budget increased the original appropriations by \$68,190,937 in 2019 for the funds listed above.
- I. Expenditures did not exceed appropriations for any funds or any departments within the General Fund, the Parks and Recreation Fund, the Public Safety LOIT Fund, the COIT Fund, the EDIT Fund, the Rainy Day Fund, or any other major or nonmajor governmental fund which required legally approved budgets except for the Redevelopment Authority Debt Service Fund and the Equipment Vehicle Leasing Fund. In 2019, these two funds had small expenditure variances that resulted in slightly higher-than-expected expenditures.

Other Supplemental Information

SPECIAL REVENUE FUNDS

Motor Vehicle Highway	To account for street construction and the operations of the street maintenance department. Financing is provided by state motor vehicle highway distributions.
Studebaker/Oliver Revitalization Grants	To account for expenditures related to the Studebaker and Oliver revitalization projects. Financing is provided by federal and state grants and loans from other organizations.
Economic Development State Grants	To account for expenditures related to projects promoting economic development. Financing is provided by state grants and loan payments. Expenditures include grants and related expenses.
DCI Operating	To account for the operating expenditures related to the South Bend Department of Community Investment (DCI). Financing will be provided by revenues received from charges for services, other revenue sources, and from fund transfers.
DCI Federal Grants	To account for revenues received from the U.S. Department of Housing and Urban Development related to community improvement projects.
Police State Seizure	To account for law enforcement expenditures financed by the authorized state or local agencies' sale of confiscated property.
Gift Donation Bequest	To account for donations, gifts, or bequeaths for purposes designated by the donor.
Police Curfew Violation	To account for monies received from penalties paid for curfew violations. Expenditures include Drug Abuse Resistance Education and Juvenile Aid Bureau.
Unsafe Building	To receive fines and fees related to Indiana's Unsafe Building law and account for the expenses incurred for board-ups, demolitions, ordinance violation abatements, and other related services.
Law Enforcement Continuing Education	To account for police fees collected to finance police officers' continuing education, training, and supplies and equipment.
Rental Units Regulation	To account for the revenues and expenditures related to the Landlord Registration and the Rental Safety Verification Program (RSVP) ordinances enacted by the Common Council.
Loss Recovery	To account for compensatory or exemplary damage payments from third parties arising from loss or damage to City tangible or intangible property.
Code Enforcement	To account for the activity of the Department of Code Enforcement including Neighborhood Code Enforcement and the South Bend Animal Resource Center.
Local Road and Street	To account for operation and maintenance of local and arterial road and street systems. Financing is provided by state gasoline tax distributions.
LOIT 2016 Special Distribution	To account for a one-time, special distribution of local income taxes from the State of Indiana for the purpose of infrastructure expenditures.
Human Rights Federal Grants	To account for expenditures to prevent discrimination and to promote human rights. Financing is provided by federal grants.
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.
DEBT SERVICE FUNDS	
2017 Park Bond Debt Service	This fund is used to collect a separate property tax levy and is used to pay for the semi-annual payment of debt service principal and interest to the bondholders of the 2017 Park District Bonds, Series A-K.

College Football Hall of Fame Debt Service	To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of the College Football Hall of Fame. Financing is to be provided by an annual property tax levy
Redevelopment Bond Airport Taxable	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the airport taxable project.
Coveleski Bond Debt Service Reserve	To accumulate monies as a reserve for the payment of the Coveleski Stadium recovery zone economic development bonds. Financing for debt payments is to be provided by professional sports and convention development area taxes (PSCDA) and county option income tax revenues if PSCDA revenues are insufficient.
Redevelopment Bond Palais Royale	To accumulate monies as a reserve for the payment of Redevelopment Authority bonds for the Palais Royale project.
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.
Century Center Energy Conservation Debt Service	To account for debt retirement of a 2015 qualified energy conservation bond for improvements at Century Center. Funding is provided by hotel/motel tax revenue, interest rebates, and transfers from other City funds.
Redevelopment Authority Debt Service	To accumulate monies for the payment of Redevelopment Authority bonds issued to refinance bonds issued for construction of a parking garage facility, bonds issued for central development area land acquisition and construction of public improvements, bonds issued to purchase the Palais Royale, bonds issued to refinance bonds issued for construction of Century Center improvements, and bonds issued to refinance bonds issued for renovations to the Morris Performing Art Center.
South Bend Building Corporation Debt Service	To accumulate monies received as debt service payments from the City and pass them through to trustee banks and bondholders.
2015 Smart Streets Bond Debt Service	To accumulate monies as a reserve for the payment of Smart Streets Bonds related to the conversion of one-way to two-way streets.
2015 Park Bond Debt Service	To accumulate monies as a reserve for the payment of the 2015 Parks & Recreation Bond debt service payments.
2017 Eddy St. Commons Bond Debt Service	To accumulate monies as a reserve for the payment of the 2017 Eddy Street Commons Phase II Bond debt service payments.
CAPITAL PROJECTS FUNDS	
2019 South Shore Double Tracking Bond Capital	To account for the distribution of the proceeds from the 2019 South Shore Double Tracking bond, which will be used along with other state and local funding to contribute to a double tracking project with the Northern Indiana Commuter Transportation District (NICTD).
Professional Sports Development	To account for Professional Sports Development Tax revenues dedicated towards debt service and improvements at Four Winds Field baseball stadium (formerly known as Coveleski Stadium).

Coveleski Stadium Capital	To account for expenditures related to the maintenance and improvement of the baseball stadium. Financing is provided by a rental paid by the semi-pro baseball team.
Cumulative Capital Development	To account for expenditures relating to the purchase or lease of capital improvements in the City. Financing is provided by a specific property tax levy.
Cumulative Capital Improvement	To account for state cigarette tax distributions used for improvement projects.
Major Moves	To account for state distributions used for road construction and other uses authorized by Indiana statute.
Morris Performing Arts Center Capital	To accumulate monies for major repairs and capital improvements to the Morris Civic Auditorium. Financing is provided by a surcharge on ticket sales for events held at the auditorium.
Redevelopment Retail Area (Leighton Plaza)	To account for revenue from the rental of property in downtown South Bend to be used for Leighton Plaza maintenance costs.
Redevelopment General	To account for eligible redevelopment initiatives designed to improve educational opportunities and address poverty and unemployment in the City. Financing is provided by an annual payment in lieu of taxes from the Pokagon Band of Potawatomi Indians and a small receipt of local income tax.
TIF – West Washington	To account for expenditures for public improvement projects in the West Washington Economic Development Area. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment.
TIF – River East Development	To account for expenditures for improvements in the northeast development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was renamed. It was formerly known as the TIF Northeast Development Fund.
TIF – Southside Development Area No. 1	To account for expenditures for improvements in the Southside development tax incremental district no. 1. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
TIF – Douglas Road	To account for expenditures for improvements in the Douglas Road development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment.
TIF – River East Residential	To account for expenditures for improvements in the Northeast Neighborhood Residential development tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed valuation of the property in the district before redevelopment. During TIF consolidation in 2015, this fund was renamed. It was formerly known as the TIF Northeast Residential Fund.
Certified Technology Park	To account for expenditures related to acquisition, improvements, construction and maintenance of public facilities, debt service and other permitted uses under I.C. 36-7-32-23 in connection with a certified technology park. Financing is provided by property tax proceeds, state gross retail and uses taxes, and other revenues.

Palais Royale Historic Preservation	To account for expenditures financed by a two percent fee charged for all Palais Royale services.
Airport Urban Enterprise Zone	To account expenditures for improvements in the Zone area, financed by property taxes on qualifying properties in the Zone.
2018 Fire Station #9 Bond Capital	To account for the expenditures of bond funds relating to the General Obligation Bonds, Series 2018 to be used for the construction of the new Fire Station #9 and additional classroom for the Fire Training Center.
2018 TIF Park Bond Capital	To account for the expenditures of bond funds relating to the Redevelopment District Bonds, Series 2018 to be used for planned capital projects to improve the parks.
2018 Zoo Bond Capital	To account for the expenditures of bond funds relating to the Economic Development Revenue Bonds, Series 2018 to be used for the construction, expansion, renovation, equipping, furnishing and improvement of the Potawatomi Zoo.
2017 Park Bond Capital	To account for the expenditures of bond funds relating to the Park District Bonds, Series 2017 A-K to be used for planned capital projects to improve the parks.
Equipment Vehicle Leasing	To account for proceeds from capital lease-purchase agreements used to finance major equipment needs of the City.
2015 Park Bond Capital	To account for capital expenditures in the City parks with funding provided by a Building Corporation bond.
2015 Smart Streets Bond Capital	To account for capital expenditures in connection with the conversion of one-way streets to two-way streets in the downtown area. Funding is provided by a Redevelopment Authority bond.
2017 Eddy St. Commons Bond Capital	To account for the expenditures of the bond proceeds from to be spent on Phase II of the mixed-use development near the University of Notre Dame.

	Special Revenue Funds							
	Motor Vehicle Highway	Studebaker Oliver Revitalization Grants	Economic Development State Grants	DCI Operating	DCI Federal Grants	Police State Seizure	Gift Donation Bequest	Police Curfew Violation
Assets								
Cash and cash equivalents	\$ 1,419,483	\$ 278,143	\$ 58,389	\$ 302,950	\$ 305,248	\$ 71,322	\$ 179,761	\$ 3,859
Investments	3,323,720	651,272	6,386	709,357	-	167,001	488,512	9,035
Receivables:								
Accounts	19,867	-	18,003	345	-	-	32	-
Interest	15,130	3,171	162	2,736	-	813	2,056	44
Intergovernmental	68,349	-	-	7,622	123,340	-	-	-
Loans	-	-	122,321	-	202,563	-	-	-
Advances to other funds	-	100,000	-	-	-	-	-	-
Property held for resale	-	1	-	-	2,288,072	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 4,846,549	\$ 1,032,587	\$ 205,261	\$ 1,023,010	\$ 2,919,223	\$ 239,136	\$ 670,361	\$ 12,938
Liabilities								
Accounts payable	\$ 102,873	\$ 33,669	\$ 4,882	\$ 33,557	\$ 257,851	\$ -	\$ 12,313	\$ -
Due to other funds	1,410	-	-	-	73,046	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	140,951	-	-	69,683	-	-	-	-
Other current payables	-	-	-	-	2,057	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	245,234	33,669	4,882	103,240	332,954	-	12,313	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	4,601,315	998,918	200,379	-	2,586,269	239,136	658,048	-
Committed	-	-	-	-	-	-	-	12,938
Assigned	-	-	-	919,770	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	4,601,315	998,918	200,379	919,770	2,586,269	239,136	658,048	12,938
Total liabilities and fund balances	\$ 4,846,549	\$ 1,032,587	\$ 205,261	\$ 1,023,010	\$ 2,919,223	\$ 239,136	\$ 670,361	\$ 12,938

	Special Revenue							
	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	\$ 276,269	\$ 126,074	\$ 5,334	\$ 181,197	\$ -	\$ 1,566,107	\$ 51,095	\$ 155,933
Investments	646,885	295,202	12,489	424,274	-	3,667,041	119,640	365,118
Receivables:								
Accounts	590	24,670	1,350	-	-	-	-	-
Interest	2,875	1,424	60	2,066	-	16,563	589	1,675
Intergovernmental	-	-	-	-	-	-	-	1,000
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 926,619	\$ 447,370	\$ 19,233	\$ 607,537	\$ -	\$ 5,249,711	\$ 171,324	\$ 523,726
Liabilities								
Accounts payable	\$ 14,600	\$ 38,520	\$ 1,974	\$ -	\$ -	\$ 44,244	\$ 37,234	\$ 1,724
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	13,565	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	3,892	-	57,852	-	-	4,959
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	28,165	38,520	5,866	-	57,852	44,244	37,234	6,683
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	408,850	-	-	-	5,205,467	134,090	517,043
Committed	898,454	-	13,367	607,537	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(57,852)	-	-	-
Total fund balances	898,454	408,850	13,367	607,537	(57,852)	5,205,467	134,090	517,043
Total liabilities and fund balances	\$ 926,619	\$ 447,370	\$ 19,233	\$ 607,537	\$ -	\$ 5,249,711	\$ 171,324	\$ 523,726

	Special Revenue							
	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	\$ 134,500	\$ 194,644	\$ 21,860	\$ 55,915	\$ 1,225	\$ 8,274	\$ 87,782	\$ 26,716
Investments	314,931	455,758	51,185	130,924	2,869	19,373	205,543	-
Receivables:								
Accounts	-	3,325	-	-	-	-	-	-
Interest	1,533	2,396	243	622	15	95	999	-
Intergovernmental	-	68,349	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 450,964	\$ 724,472	\$ 73,288	\$ 187,461	\$ 4,109	\$ 27,742	\$ 294,324	\$ 26,716
Liabilities								
Accounts payable	\$ 80,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	80,354	-	-	-	-	-	446	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	370,610	724,472	-	-	4,109	-	-	26,716
Committed	-	-	73,288	187,461	-	27,742	293,878	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	370,610	724,472	73,288	187,461	4,109	27,742	293,878	26,716
Total liabilities and fund balances	\$ 450,964	\$ 724,472	\$ 73,288	\$ 187,461	\$ 4,109	\$ 27,742	\$ 294,324	\$ 26,716

December 31, 2019

	Special Revenue							
	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
Assets								
Cash and cash equivalents	\$ 35,458	\$ 50,707	\$ 113,551	\$ 16,111	\$ 119,163	\$ 717	\$ 3,065,972	\$ 8,897
Investments	83,024	118,732	-	37,726	279,020	1,678	-	20,833
Receivables:								
Accounts	750	150	-	-	30,709	-	-	-
Interest	404	613	166	184	1,598	8	-	101
Intergovernmental	-	45,804	-	-	-	-	-	-
Loans	-	-	-	422,297	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 119,636	\$ 216,006	\$ 113,717	\$ 476,318	\$ 430,490	\$ 2,403	\$ 3,065,972	\$ 29,831
Liabilities								
Accounts payable	\$ -	\$ 140,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	420,253	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	3,065,972	-
Total liabilities	-	140,372	-	420,253	-	-	3,065,972	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	75,634	113,717	56,065	-	-	-	29,831
Committed	119,636	-	-	-	-	-	-	-
Assigned	-	-	-	-	430,490	2,403	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	119,636	75,634	113,717	56,065	430,490	2,403	-	29,831
Total liabilities and fund balances	\$ 119,636	\$ 216,006	\$ 113,717	\$ 476,318	\$ 430,490	\$ 2,403	\$ 3,065,972	\$ 29,831

December 31, 2019

	Special Revenue			Debt Service Funds				
	Bowman Cemetery	Industrial Revolving Fund	Total Special Revenue Funds	2017 Park Bond Debt Service	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
Assets								
Cash and cash equivalents	\$ 139,965	\$ 2,078,333	\$ 11,140,954	\$ 62,469	\$ -	\$ 312,108	\$ -	\$ 521,797
Investments	327,728	-	12,935,256	146,271	-	730,801	-	1,221,788
Receivables:								
Accounts	-	-	99,791	-	-	-	-	-
Interest	1,577	-	59,918	358	-	3,560	-	5,953
Intergovernmental	-	-	314,464	-	-	-	-	-
Loans	-	5,004,351	5,751,532	-	-	-	-	-
Advances to other funds	-	-	100,000	-	-	-	-	-
Property held for resale	-	76,300	2,364,373	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 469,270	\$ 7,158,984	\$ 32,766,288	\$ 209,098	\$ -	\$ 1,046,469	\$ -	\$ 1,749,538
Liabilities								
Accounts payable	\$ -	\$ -	\$ 804,613	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	74,456	-	-	-	-	-
Advances from other funds	-	-	420,253	-	-	-	-	-
Performance deposits payable	-	-	13,565	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	277,337	-	-	-	-	-
Other current payables	-	-	2,057	-	-	-	-	-
Customer deposits	-	-	3,065,972	-	-	-	-	-
Total liabilities	-	-	4,658,253	-	-	-	-	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	469,270	7,158,984	24,578,923	209,098	-	1,046,469	-	1,749,538
Committed	-	-	2,234,301	-	-	-	-	-
Assigned	-	-	1,352,663	-	-	-	-	-
Unassigned	-	-	(57,852)	-	-	-	-	-
Total fund balances	469,270	7,158,984	28,108,035	209,098	-	1,046,469	-	1,749,538
Total liabilities and fund balances	\$ 469,270	\$ 7,158,984	\$ 32,766,288	\$ 209,098	\$ -	\$ 1,046,469	\$ -	\$ 1,749,538

December 31, 2019

	Debt Service Funds							
	2018 Fire Station #9 Bond Debt Service	2018 TIF Park Bond Debt Service Reserve	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	2015 Smart Streets Bond Debt Service	2015 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service
Assets								
Cash and cash equivalents	\$ -	\$ 304,948	\$ 91,949	\$ 222,584	\$ 606,070	\$ 1,734,901	\$ 590,497	\$ 3,461,700
Investments	-	714,036	97,459	-	-	-	-	-
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Interest	-	3,477	475	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 1,022,461	\$ 189,883	\$ 222,584	\$ 606,070	\$ 1,734,901	\$ 590,497	\$ 3,461,700
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	1,022,461	189,883	222,584	606,070	1,734,901	590,497	3,461,700
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	1,022,461	189,883	222,584	606,070	1,734,901	590,497	3,461,700
Total liabilities and fund balances	\$ -	\$ 1,022,461	\$ 189,883	\$ 222,584	\$ 606,070	\$ 1,734,901	\$ 590,497	\$ 3,461,700

December 31, 2019

	Capital Projects Funds							Morris Performing Arts Center Capital
	Total Debt Service Funds	2019 South Shore Double Tracking Bond Capital	Professional Sports Development	Coveleski Stadium Capital	Cumulative Capital Development	Cumulative Capital Improvement	Major Moves	
Assets								
Cash and cash equivalents	\$ 7,909,023	\$ 29,819	\$ -	\$ 7,736	\$ 101,521	\$ 206,199	\$ 657,181	\$ 126,328
Investments	2,910,355	-	-	18,114	156,696	482,816	1,538,791	295,797
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Interest	13,823	-	-	91	550	2,150	7,499	1,427
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	2,388,902	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 10,833,201	\$ 29,819	\$ -	\$ 25,941	\$ 258,767	\$ 691,165	\$ 4,592,373	\$ 423,552
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,932	\$ 90,472
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	11,932	90,472
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	10,833,201	29,819	-	-	258,767	691,165	4,580,441	-
Committed	-	-	-	25,941	-	-	-	333,080
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	10,833,201	29,819	-	25,941	258,767	691,165	4,580,441	333,080
Total liabilities and fund balances	\$ 10,833,201	\$ 29,819	\$ -	\$ 25,941	\$ 258,767	\$ 691,165	\$ 4,592,373	\$ 423,552

	Capital Projects Funds							
	Redevelopment Retail Area (Leighton Plaza)	Redevelopment General	TIF - West Washington	TIF - River East Development	TIF - Southside Development Area No. 1	TIF - Douglas Road	TIF - River East Residential	Certified Technology Park
Assets								
Cash and cash equivalents	\$ -	\$ 441,991	\$ 308,790	\$ 2,458,601	\$ 2,875,294	\$ 56,204	\$ 1,109,351	\$ 3,281
Investments	-	1,034,924	723,032	5,756,817	6,732,505	131,602	2,597,546	7,683
Receivables:								
Accounts	-	-	300	-	-	-	-	-
Interest	-	5,060	3,526	27,072	31,650	647	10,611	38
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	436,000	12,950	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 1,481,975	\$ 1,471,648	\$ 8,255,440	\$ 9,639,449	\$ 188,453	\$ 3,717,508	\$ 11,002
Liabilities								
Accounts payable	\$ -	\$ 58,967	\$ 10,956	\$ 283,919	\$ 63,733	\$ 14,050	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	2,388,902	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	-	58,967	10,956	283,919	63,733	14,050	2,388,902	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	1,460,692	7,971,521	9,575,716	174,403	1,328,606	11,002
Committed	-	1,423,008	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	1,423,008	1,460,692	7,971,521	9,575,716	174,403	1,328,606	11,002
Total liabilities and fund balances	\$ -	\$ 1,481,975	\$ 1,471,648	\$ 8,255,440	\$ 9,639,449	\$ 188,453	\$ 3,717,508	\$ 11,002

	Capital Projects Funds							
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	2018 Fire Station #9 Bond Capital	2018 TIF Park Bond Capital	2018 Zoo Bond Capital	2017 Park Bond Capital	Equipment Vehicle Leasing	2015 Park Bond Capital
Assets								
Cash and cash equivalents	\$ 32,258	\$ 120,829	\$ 119,670	\$ 1,222,706	\$ 120,929	\$ 2,712,194	\$ 368,127	\$ -
Investments	75,533	282,921	280,207	2,862,967	-	6,350,604	1,423	-
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Interest	368	1,378	1,365	14,252	-	30,939	7	-
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
Total assets	\$ 108,159	\$ 405,128	\$ 401,242	\$ 4,099,925	\$ 120,929	\$ 9,093,737	\$ 369,557	\$ -
Liabilities								
Accounts payable	\$ 34,160	\$ -	\$ 221,841	\$ 1,217,113	\$ -	\$ 107,836	\$ 45,000	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Performance deposits payable	-	-	-	-	-	-	-	-
Accrued liabilities and other:								
Accrued payroll payable	-	-	-	-	-	-	-	-
Other current payables	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	34,160	-	221,841	1,217,113	-	107,836	45,000	-
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	179,401	2,882,812	120,929	8,985,901	324,557	-
Committed	73,999	405,128	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	73,999	405,128	179,401	2,882,812	120,929	8,985,901	324,557	-
Total liabilities and fund balances	\$ 108,159	\$ 405,128	\$ 401,242	\$ 4,099,925	\$ 120,929	\$ 9,093,737	\$ 369,557	\$ -

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds

December 31, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2015 Smart Streets Bond Capital	2017 Eddy St. Commons Bond Capital	Total Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ -	\$ 3,048,191	\$ 16,127,200	\$ 35,177,177
Investments	-	-	29,329,978	45,175,589
Receivables:				
Accounts	-	-	300	100,091
Interest	-	-	138,630	212,371
Intergovernmental	-	-	-	314,464
Loans	-	-	-	5,751,532
Advances to other funds	-	-	2,388,902	2,488,902
Property held for resale	-	-	448,950	2,813,323
Restricted assets	-	-	-	-
Total assets	\$ -	\$ 3,048,191	\$ 48,433,960	\$ 92,033,449
Liabilities				
Accounts payable	\$ -	\$ -	\$ 2,159,979	\$ 2,964,592
Due to other funds	-	-	-	74,456
Advances from other funds	-	-	2,388,902	2,809,155
Performance deposits payable	-	-	-	13,565
Accrued liabilities and other:				
Accrued payroll payable	-	-	-	277,337
Other current payables	-	25,564	25,564	27,621
Customer deposits	-	-	-	3,065,972
Total liabilities	-	25,564	4,574,445	9,232,698
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	3,022,627	41,598,359	77,010,483
Committed	-	-	2,261,156	4,495,457
Assigned	-	-	-	1,352,663
Unassigned	-	-	-	(57,852)
Total fund balances	-	3,022,627	43,859,515	82,800,751
Total liabilities and fund balances	\$ -	\$ 3,048,191	\$ 48,433,960	\$ 92,033,449

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

December 31, 2019

	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
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	3,150	-	-	-	-	-	-	-
Intergovernmental	2,784,290	-	-	434,000	2,153,384	-	-	-
Charges for services	244,790	-	-	197,245	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	75
Investment income	167,617	25,760	2,794	18,188	-	6,624	16,042	372
Other revenue	170,534	-	22,934	4,182	473,888	5,227	654,299	-
Total revenue	3,370,381	25,760	25,728	653,615	2,627,272	11,851	670,341	447
Expenditures								
Current:								
General government	-	-	-	-	-	-	241,961	-
Public safety	-	-	-	-	-	-	-	623
Highways and streets	7,696,558	-	-	-	-	-	-	-
Community and economic development	-	148,744	58,581	2,794,025	2,615,216	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	734,901	-	67,581	-	-	-	-	-
Interest on long-term debt	45,227	-	4,429	-	-	-	-	-
Total expenditures	8,476,686	148,744	130,591	2,794,025	2,615,216	-	241,961	623
Excess of revenue (under) over expenditures	(5,106,305)	(122,984)	(104,863)	(2,140,410)	12,056	11,851	428,380	(176)
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	10,511	-	-	-	-	-	-	-
Transfers in	3,852,066	-	-	2,350,633	-	-	76,493	-
Transfers out	(2,500,000)	-	(230,000)	-	-	-	-	-
Total other financing sources (uses)	1,362,577	-	(230,000)	2,350,633	-	-	76,493	-
Net change in fund balances	(3,743,728)	(122,984)	(334,863)	210,223	12,056	11,851	504,873	(176)
Fund balances - Beginning of year	8,345,043	1,121,902	535,242	709,547	2,574,213	227,285	153,175	13,114
Fund balances - End of year	\$ 4,601,315	\$ 998,918	\$ 200,379	\$ 919,770	\$ 2,586,269	\$ 239,136	\$ 658,048	\$ 12,938

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

December 31, 2019

	Special Revenue							Human Rights Federal Grants
	Unsafe Building	Law Enforcement Continuing Education	Rental Units Regulation	Loss Recovery Fund	Code Enforcement	Local Road and Street	LOIT 2016 Special Distribution	
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,818,145	-	238,060
Charges for services	-	135,910	-	-	-	-	-	-
Fines and forfeitures	260,491	112,492	8,725	-	-	-	-	-
Investment income	19,288	11,418	375	17,284	-	137,592	10,787	12,982
Other revenue	2,298	16,337	-	-	-	35,438	92,453	312
Total revenue	282,077	276,157	9,100	17,284	-	1,991,175	103,240	251,354
Expenditures								
Current:								
General government	-	-	-	37,311	-	-	-	192,546
Public safety	591,828	256,548	5,867	-	57,852	-	-	-
Highways and streets	-	-	-	-	-	2,627,321	561,966	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	591,828	256,548	5,867	37,311	57,852	2,627,321	561,966	192,546
Excess of revenue (under) over expenditures	(309,751)	19,609	3,233	(20,027)	(57,852)	(636,146)	(458,726)	58,808
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	681,491	26,423	-	-	-	2,500,000	-	-
Transfers out	-	-	-	-	-	(617,569)	-	(76,493)
Total other financing sources (uses)	681,491	26,423	-	-	-	1,882,431	-	(76,493)
Net change in fund balances	371,740	46,032	3,233	(20,027)	(57,852)	1,246,285	(458,726)	(17,685)
Fund balances - Beginning of year	526,714	362,818	10,134	627,564	-	3,959,182	592,816	534,728
Fund balances - End of year	\$ 898,454	\$ 408,850	\$ 13,367	\$ 607,537	\$ (57,852)	\$ 5,205,467	\$ 134,090	\$ 517,043

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

December 31, 2019

	Special Revenue							
	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
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	553,253	3,277,400	-	-	-	-	-	-
Charges for services	-	-	21,618	82,464	-	6,075	96,270	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	11,017	16,288	1,887	4,181	115	757	7,356	-
Other revenue	-	-	-	-	-	-	24,945	-
Total revenue	<u>564,270</u>	<u>3,293,688</u>	<u>23,505</u>	<u>86,645</u>	<u>115</u>	<u>6,832</u>	<u>128,571</u>	<u>-</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,457	25,394	-
Highways and streets	1,077,210	2,569,216	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	7,720	956	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	<u>1,077,210</u>	<u>2,569,216</u>	<u>7,720</u>	<u>956</u>	<u>-</u>	<u>1,457</u>	<u>25,394</u>	<u>-</u>
Excess of revenue (under) over expenditures	<u>(512,940)</u>	<u>724,472</u>	<u>15,785</u>	<u>85,689</u>	<u>115</u>	<u>5,375</u>	<u>103,177</u>	<u>-</u>
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	553,253	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>553,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	40,313	724,472	15,785	85,689	115	5,375	103,177	-
Fund balances - Beginning of year	<u>330,297</u>	<u>-</u>	<u>57,503</u>	<u>101,772</u>	<u>3,994</u>	<u>22,367</u>	<u>190,701</u>	<u>26,716</u>
Fund balances - End of year	<u>\$ 370,610</u>	<u>\$ 724,472</u>	<u>\$ 73,288</u>	<u>\$ 187,461</u>	<u>\$ 4,109</u>	<u>\$ 27,742</u>	<u>\$ 293,878</u>	<u>\$ 26,716</u>

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

December 31, 2019

	Special Revenue							
	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
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	102,299	-	-	-	-	-	-
Charges for services	24,276	-	-	-	447,563	-	-	-
Fines and forfeitures	-	9,209	-	-	-	-	-	-
Investment income	3,208	4,935	3,015	916	15,907	66	-	833
Other revenue	175	3,049	-	-	103	-	-	-
Total revenue	27,659	119,492	3,015	916	463,573	66	-	833
Expenditures								
Current:								
General government	-	-	-	-	108,548	-	-	-
Public safety	6,597	232,037	43,499	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total expenditures	6,597	232,037	43,499	-	108,548	-	-	-
Excess of revenue (under) over expenditures	21,062	(112,545)	(40,484)	916	355,025	66	-	833
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(550,000)	-	-	-
Total other financing sources (uses)	-	-	-	-	(550,000)	-	-	-
Net change in fund balances	21,062	(112,545)	(40,484)	916	(194,975)	66	-	833
Fund balances - Beginning of year	98,574	188,179	154,201	55,149	625,465	2,337	-	28,998
Fund balances - End of year	\$ 119,636	\$ 75,634	\$ 113,717	\$ 56,065	\$ 430,490	\$ 2,403	\$ -	\$ 29,831

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

December 31, 2019

	Special Revenue			Debt Service Funds				
	Bowman Cemetery	Industrial Revolving Fund	Total Special Revenue Funds	2017 Park Bond Debt Service	College Football Hall of Fame Debt Service	Redevelopment Bond - Airport Taxable	Coveleski Bond Debt Service Reserve	Redevelopment Bond - Palais Royale
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ 1,166,972	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	3,150	-	-	-	-	-
Intergovernmental	-	-	11,360,831	74,210	-	-	-	-
Charges for services	-	-	1,256,211	-	-	-	-	-
Fines and forfeitures	-	-	390,992	-	-	-	-	-
Investment income	13,110	-	530,714	1,413	27	29,596	742	49,482
Other revenue	-	293,958	1,800,132	-	-	-	-	-
Total revenue	13,110	293,958	15,342,030	1,242,595	27	29,596	742	49,482
Expenditures								
Current:								
General government	-	-	580,366	-	-	-	-	-
Public safety	-	-	1,221,702	-	-	-	-	-
Highways and streets	-	-	14,532,271	-	-	-	-	-
Community and economic development	-	119,441	5,736,007	-	-	-	-	-
Culture and recreation	-	-	8,676	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	802,482	770,000	-	-	-	-
Interest on long-term debt	-	-	49,656	411,140	-	-	-	-
Total expenditures	-	119,441	22,931,160	1,181,140	-	-	-	-
Excess of revenue (under) over expenditures	13,110	174,517	(7,589,130)	61,455	27	29,596	742	49,482
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	10,511	-	-	-	-	-
Transfers in	-	-	10,040,359	-	-	-	-	-
Transfers out	-	-	(3,974,062)	-	(97,077)	(23,303)	(527,517)	(38,958)
Total other financing sources (uses)	-	-	6,076,808	-	(97,077)	(23,303)	(527,517)	(38,958)
Net change in fund balances	13,110	174,517	(1,512,322)	61,455	(97,050)	6,293	(526,775)	10,524
Fund balances - Beginning of year	456,160	6,984,467	29,620,357	147,643	97,050	1,040,176	526,775	1,739,014
Fund balances - End of year	\$ 469,270	\$ 7,158,984	\$ 28,108,035	\$ 209,098	\$ -	\$ 1,046,469	\$ -	\$ 1,749,538

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

December 31, 2019

	Debt Service Funds							
	2018 Fire Station #9 Bond Debt Service	2018 TIF Park Bond Debt Service Reserve	Century Center Energy Conservation Debt Service	Redevelopment Authority Debt Service	South Bend Building Corporation Debt Service	2015 Smart Streets Bond Debt Service	2015 Park Bond Debt Service	2017 Eddy St. Commons Bond Debt Service
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	235,000	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	28,611	4,391	6,383	15,014	4,630	3,527	8,792
Other revenue	-	-	104,511	-	-	-	-	-
Total revenue	-	28,611	343,902	6,383	15,014	4,630	3,527	8,792
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	170,000	-	280,090	1,725,000	1,864,355	970,000	220,000	50,000
Interest on long-term debt	151,706	-	135,333	1,136,669	285,434	742,019	162,731	1,248,125
Total expenditures	321,706	-	415,423	2,861,669	2,149,789	1,712,019	382,731	1,298,125
Excess of revenue (under) over expenditures	(321,706)	28,611	(71,521)	(2,855,286)	(2,134,775)	(1,707,389)	(379,204)	(1,289,333)
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	321,706	-	90,752	2,867,378	2,154,098	1,715,500	409,270	1,298,125
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	321,706	-	90,752	2,867,378	2,154,098	1,715,500	409,270	1,298,125
Net change in fund balances	-	28,611	19,231	12,092	19,323	8,111	30,066	8,792
Fund balances - Beginning of year	-	993,850	170,652	210,492	586,747	1,726,790	560,431	3,452,908
Fund balances - End of year	\$ -	\$ 1,022,461	\$ 189,883	\$ 222,584	\$ 606,070	\$ 1,734,901	\$ 590,497	\$ 3,461,700

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

December 31, 2019

	Capital Projects Funds							Morris Performing Arts Center Capital
	Total Debt Service Funds	2019 South Shore Double Tracking Bond Capital	Professional Sports Development	Coveleski Stadium Capital	Cumulative Capital Development	Cumulative Capital Improvement	Major Moves	
Revenue								
Property taxes	\$ 1,166,972	\$ -	\$ -	\$ -	\$ 455,002	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	235,000	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	74,210	-	-	-	40,353	231,026	-	-
Charges for services	-	-	-	23,125	-	-	-	82,464
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	152,608	-	1,201	823	9,798	15,171	71,635	11,429
Other revenue	104,511	-	3,786	-	-	25,000	191,660	575
Total revenue	1,733,301	-	4,987	23,948	505,153	271,197	263,295	94,468
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	1,200,791	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	293,022	-	-	-	-	-	-
Capital outlay	-	9,125,000	-	71,468	693,881	28,000	-	139,397
Debt service:								
Principal	6,049,445	-	345,000	-	498,598	-	-	-
Interest on long-term debt	4,273,157	-	8,970	-	40,678	-	-	-
Total expenditures	10,322,602	9,418,022	353,970	71,468	1,233,157	28,000	1,200,791	139,397
Excess of revenue (under) over expenditures	(8,589,301)	(9,418,022)	(348,983)	(47,520)	(728,004)	243,197	(937,496)	(44,929)
Other financing sources (uses)								
Issuance of debt	-	7,985,000	-	-	457,340	-	-	-
Premium on debt	-	1,462,841	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	8,856,829	-	527,517	-	-	-	-	-
Transfers out	(686,855)	-	(178,534)	-	-	-	-	-
Total other financing sources (uses)	8,169,974	9,447,841	348,983	-	457,340	-	-	-
Net change in fund balances	(419,327)	29,819	-	(47,520)	(270,664)	243,197	(937,496)	(44,929)
Fund balances - Beginning of year	11,252,528	-	-	73,461	529,431	447,968	5,517,937	378,009
Fund balances - End of year	\$ 10,833,201	\$ 29,819	\$ -	\$ 25,941	\$ 258,767	\$ 691,165	\$ 4,580,441	\$ 333,080

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

December 31, 2019

	Capital Projects Funds							
	Redevelopment Retail Area (Leighton Plaza)	Redevelopment General	TIF - West Washington	TIF - River East Development	TIF - Southside Development Area No. 1	TIF - Douglas Road	TIF - River East Residential	Certified Technology Park
Revenue								
Property taxes	\$ -	\$ -	\$ 261,830	\$ 2,722,642	\$ 1,621,321	\$ -	\$ 4,933,558	\$ -
Income taxes	-	84,095	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	147	26,953	42,109	256,066	259,010	5,623	56,982	10,770
Other revenue	-	1,177,112	18,800	6,725	-	-	-	-
Total revenue	147	1,288,160	322,739	2,985,433	1,880,331	5,623	4,990,540	10,770
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	772	481,167	1,080,713	6,013,188	1,470,065	35,625	-	624,194
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	102,306	-
Total expenditures	772	481,167	1,080,713	6,013,188	1,470,065	35,625	102,306	624,194
Excess of revenue (under) over expenditures	(625)	806,993	(757,974)	(3,027,755)	410,266	(30,002)	4,888,234	(613,424)
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(7,820)	-	-	-	-	-	(3,769,003)	-
Total other financing sources (uses)	(7,820)	-	-	-	-	-	(3,769,003)	-
Net change in fund balances	(8,445)	806,993	(757,974)	(3,027,755)	410,266	(30,002)	1,119,231	(613,424)
Fund balances - Beginning of year	8,445	616,015	2,218,666	10,999,276	9,165,450	204,405	209,375	624,426
Fund balances - End of year	\$ -	\$ 1,423,008	\$ 1,460,692	\$ 7,971,521	\$ 9,575,716	\$ 174,403	\$ 1,328,606	\$ 11,002

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

December 31, 2019

	Capital Projects Funds							
	Palais Royale Historic Preservation	Airport Urban Enterprise Zone	2018 Fire Station #9 Bond Capital	2018 TIF Park Bond Capital	2018 Zoo Bond Capital	2017 Park Bond Capital	Equipment Vehicle Leasing	2015 Park Bond Capital
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,558	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	3,062	11,337	40,470	203,216	22,488	304,376	2,367	840
Other revenue	-	-	-	-	-	-	-	-
Total revenue	15,620	11,337	40,470	203,216	22,488	304,376	2,367	840
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital outlay	41,402	-	2,795,434	7,487,675	3,166,419	3,789,308	1,040,177	445,279
Debt service:								
Principal	-	-	-	-	-	-	91,941	-
Interest on long-term debt	-	-	-	-	-	-	9,173	-
Total expenditures	41,402	-	2,795,434	7,487,675	3,166,419	3,789,308	1,141,291	445,279
Excess of revenue (under) over expenditures	(25,782)	11,337	(2,754,964)	(7,284,459)	(3,143,931)	(3,484,932)	(1,138,924)	(444,439)
Other financing sources (uses)								
Issuance of debt	-	-	-	-	-	-	177,147	-
Premium on debt	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(3,048)
Total other financing sources (uses)	-	-	-	-	-	-	177,147	(3,048)
Net change in fund balances	(25,782)	11,337	(2,754,964)	(7,284,459)	(3,143,931)	(3,484,932)	(961,777)	(447,487)
Fund balances - Beginning of year	99,781	393,791	2,934,365	10,167,271	3,264,860	12,470,833	1,286,334	447,487
Fund balances - End of year	\$ 73,999	\$ 405,128	\$ 179,401	\$ 2,882,812	\$ 120,929	\$ 8,985,901	\$ 324,557	\$ -

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

December 31, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	2015 Smart Streets Bond Capital	2017 Eddy St. Commons Bond Capital	Total Capital Projects Funds	
Revenue				
Property taxes	\$ -	\$ -	\$ 9,994,353	\$ 11,161,325
Income taxes	-	-	84,095	84,095
Hotel/motel taxes	-	-	-	235,000
Licenses and permits	-	-	-	3,150
Intergovernmental	-	-	271,379	11,706,420
Charges for services	-	-	118,147	1,374,358
Fines and forfeitures	-	-	-	390,992
Investment income	124	66	1,356,063	2,039,385
Other revenue	-	-	1,423,658	3,328,301
Total revenue	124	66	13,247,695	30,323,026
Expenditures				
Current:				
General government	-	-	-	580,366
Public safety	-	-	-	1,221,702
Highways and streets	-	-	1,200,791	15,733,062
Community and economic development	-	-	-	5,736,007
Culture and recreation	-	-	-	8,676
Bond issuance costs	-	-	293,022	293,022
Capital outlay	68,967	4,602,119	43,200,250	43,200,250
Debt service:				
Principal	-	-	935,539	7,787,466
Interest on long-term debt	-	-	161,127	4,483,940
Total expenditures	68,967	4,602,119	45,790,729	79,044,491
Excess of revenue (under) over expenditures	(68,843)	(4,602,053)	(32,543,034)	(48,721,465)
Other financing sources (uses)				
Issuance of debt	-	-	8,619,487	8,619,487
Premium on debt	-	-	1,462,841	1,462,841
Proceeds from sale of capital assets	-	-	-	10,511
Transfers in	-	-	527,517	19,424,705
Transfers out	-	-	(3,958,405)	(8,619,322)
Total other financing sources (uses)	-	-	6,651,440	20,898,222
Net change in fund balances	(68,843)	(4,602,053)	(25,891,594)	(27,823,243)
Fund balances - Beginning of year	68,843	7,624,680	69,751,109	110,623,994
Fund balances - End of year	\$ -	\$ 3,022,627	\$ 43,859,515	\$ 82,800,751

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 16,935,449	\$ 18,555,308	\$ 18,555,308	\$ -
Intergovernmental	396,500	437,707	436,206	(1,501)
Charges for services	-	1,080	2,160	1,080
Investment income	200,000	621,580	744,246	122,666
Other	-	33,825	129,336	95,511
	<u>17,531,949</u>	<u>19,649,500</u>	<u>19,867,256</u>	<u>217,756</u>
Expenditures:				
Current:				
Economic development:				
Other services and charges	5,149,809	10,512,186	9,382,071	1,130,115
Capital outlay	8,589,173	28,711,747	14,850,069	13,861,678
	<u>13,738,982</u>	<u>39,223,933</u>	<u>24,232,140</u>	<u>14,991,793</u>
Other Financing Sources (Uses):				
Transfers in	34,000	47,934	64,022	16,088
Transfers out	(4,261,018)	(4,266,098)	(4,266,098)	-
	<u>(434,051)</u>	<u>(23,792,597)</u>	<u>(8,566,960)</u>	<u>15,225,637</u>
Net change in fund balances				
	<u>(434,051)</u>	<u>(23,792,597)</u>	<u>(8,566,960)</u>	<u>15,225,637</u>
Fund balances - Beginning	31,738,300	31,738,300	31,738,300	-
Fund balances - Ending	<u>\$ 31,304,249</u>	<u>\$ 7,945,703</u>	<u>\$ 23,171,340</u>	<u>\$ 15,225,637</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (8,566,960)	
To adjust revenues for accruals			(1,021,824)	
To adjust expenditures for accruals			335,654	
To adjust expenditures for encumbrances			7,834,836	
Net change in fund balance, GAAP basis			<u>\$ (1,418,294)</u>	

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,299,031	\$ 3,149,516	\$ 3,209,051	\$ 59,535
Charges for services	228,245	243,410	253,301	9,891
Investment income	47,845	146,000	165,725	19,725
Other	<u>143,232</u>	<u>169,815</u>	<u>170,022</u>	<u>207</u>
Total revenues	<u>6,718,353</u>	<u>3,711,891</u>	<u>3,801,249</u>	<u>89,358</u>
Expenditures:				
Current:				
Highways and streets:				
Personnel services	4,492,569	3,741,944	3,573,668	168,276
Supplies	2,934,307	1,967,927	1,683,034	284,893
Other services and charges	4,419,072	3,943,132	3,842,458	100,674
Capital outlay	<u>-</u>	<u>64,316</u>	<u>64,316</u>	<u>-</u>
Total expenditures	<u>11,845,948</u>	<u>9,717,319</u>	<u>9,163,476</u>	<u>553,843</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	10,511	10,511	-
Transfers in	3,787,750	3,852,066	3,852,066	-
Transfers out	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Net change in fund balances	(3,839,845)	(4,642,851)	(3,999,650)	643,201
Fund balances - Beginning	<u>8,012,501</u>	<u>8,012,501</u>	<u>8,012,501</u>	<u>-</u>
Fund balances - Ending	<u>\$ 4,172,656</u>	<u>\$ 3,369,650</u>	<u>\$ 4,012,851</u>	<u>\$ 643,201</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,999,650)	
To adjust revenues for accruals			(430,870)	
To adjust expenditures for accruals			(40,958)	
To adjust expenditures for encumbrances			<u>727,750</u>	
Net change in fund balance, GAAP basis			<u>\$ (3,743,728)</u>	

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

Special Revenue Funds - Studebaker Oliver Revitalization Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 10,000	\$ 25,000	\$ 24,778	\$ (222)
Other	100,000	100,000	100,000	-
Total revenues	110,000	125,000	124,778	(222)
Expenditures:				
Current:				
Economic development:				
Other services and charges	750,000	1,011,251	998,434	12,817
Net change in fund balances	(640,000)	(886,251)	(873,656)	12,595
Fund balances - Beginning	956,464	956,464	956,464	-
Fund balances - Ending	\$ 316,464	\$ 70,213	\$ 82,808	\$ 12,595
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (873,656)	
To adjust revenues for accruals			(99,018)	
To adjust expenditures for accruals			1,226	
To adjust expenditures for encumbrances			848,464	
Net change in fund balance, GAAP basis			\$ (122,984)	

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

Special Revenue Funds - Economic Development State Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 672,857	\$ -	\$ (672,857)
Investment income	1,500	2,900	2,878	(22)
Other	72,011	72,011	72,010	(1)
Total revenues	73,511	747,768	74,888	(672,880)
Expenditures:				
Current:				
Economic development:				
Other services and charges	72,011	825,868	189,172	636,696
Net change in fund balances	(228,500)	(308,100)	(344,284)	(36,184)
Fund balances - Beginning	345,693	345,693	345,693	-
Fund balances - Ending	\$ 117,193	\$ 37,593	\$ 1,409	\$ (36,184)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (344,284)	
To adjust revenues for accruals			(49,160)	
To adjust expenditures for accruals			(4,882)	
To adjust expenditures for encumbrances			63,463	
Net change in fund balance, GAAP basis			\$ (334,863)	

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

Special Revenue Funds - DCI Operating

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 440,636	\$ 440,636	\$ 434,000	\$ (6,636)
Charges for services	256,100	259,100	212,079	(47,021)
Fines and forfeitures	2,000	152	-	(152)
Investment income	10,000	13,570	17,680	4,110
Other	-	4,704	4,123	(581)
	<u>708,736</u>	<u>718,162</u>	<u>667,882</u>	<u>(50,280)</u>
Expenditures:				
Current:				
Economic development:				
Personnel services	2,315,613	2,130,613	2,021,736	108,877
Supplies	23,748	28,460	20,538	7,922
Other services and charges	720,008	993,593	962,139	31,454
	<u>3,059,369</u>	<u>3,152,666</u>	<u>3,004,413</u>	<u>148,253</u>
Other Financing Sources (Uses):				
Transfers in	2,350,633	2,350,633	2,350,633	-
	<u>-</u>	<u>(83,871)</u>	<u>14,102</u>	<u>97,973</u>
Net change in fund balances				
Fund balances - Beginning	731,464	731,464	731,464	-
Fund balances - Ending	<u>\$ 731,464</u>	<u>\$ 647,593</u>	<u>\$ 745,566</u>	<u>\$ 97,973</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 14,102	
To adjust revenues for accruals			(14,268)	
To adjust expenditures for accruals			(58,290)	
To adjust expenditures for encumbrances			268,679	
Net change in fund balance, GAAP basis			<u>\$ 210,223</u>	

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

Special Revenue Funds - DCI Federal Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,711,000	\$ 7,744,914	\$ 2,030,043	\$ (5,714,871)
Fines and forfeitures	1,000	1,000	30	(970)
Other	199,000	1,416,390	485,170	(931,220)
Total revenues	2,911,000	9,162,304	2,515,243	(6,647,061)
Expenditures:				
Current:				
Economic development:				
Other services and charges	2,911,000	7,944,915	4,977,529	2,967,386
Net change in fund balances	-	1,217,389	(2,462,286)	(3,679,675)
Fund balances - Beginning	347,782	347,782	347,782	-
Fund balances - Ending	\$ 347,782	\$ 1,565,171	\$ (2,114,504)	\$ (3,679,675)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,462,286)	
To adjust revenues for accruals			112,029	
To adjust expenditures for accruals			(59,319)	
To adjust expenditures for encumbrances			2,421,632	
Net change in fund balance, GAAP basis			\$ 12,056	

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

Special Revenue Funds - Police State Seizure

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 5,018	\$ (24,982)
Investment income	2,000	5,390	6,364	974
Other	-	310	310	-
	32,000	35,700	11,692	(24,008)
Expenditures:				
Current:				
Public safety:				
Other services and charges	32,000	32,000	-	32,000
Net change in fund balances	-	3,700	11,692	7,992
Fund balances - Beginning	227,103	227,103	227,103	-
Fund balances - Ending	\$ 227,103	\$ 230,803	\$ 238,795	\$ 7,992
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 11,692	
To adjust revenues for accruals			159	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 11,851	

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

Special Revenue Funds - Gift, Donation, Bequest

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 800	\$ 11,800	\$ 15,115	\$ 3,315
Other	25,000	658,800	654,367	(4,433)
Total revenues	25,800	670,600	669,482	(1,118)
Expenditures:				
Current:				
General government:				
Supplies	5,000	5,000	-	5,000
Other services and charges	42,500	625,592	576,242	49,350
Total expenditures	47,500	630,592	576,242	54,350
Other Financing Sources (Uses):				
Transfers in	-	76,493	76,493	-
Net change in fund balances	(21,700)	116,501	169,733	53,232
Fund balances - Beginning	165,219	165,219	165,219	-
Fund balances - Ending	\$ 143,519	\$ 281,720	\$ 334,952	\$ 53,232
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 169,733	
To adjust revenues for accruals			860	
To adjust expenditures for accruals			(109)	
To adjust expenditures for encumbrances			334,389	
Net change in fund balance, GAAP basis			\$ 504,873	

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

Special Revenue Funds - DCI Federal Grants

December 31, 2019

City of South Bend, Indiana
 Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 Special Revenue Funds - Police Curfew Violation
 #REF!

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200	\$ 200	\$ 75	\$ (125)
Investment income	100	300	359	59
Total revenues	300	500	434	(66)
Expenditures:				
Current:				
Public safety:				
Other services and charges	1,000	1,000	623	377
Net change in fund balances	(700)	(500)	(189)	311
Fund balances - Beginning	13,109	13,109	13,109	-
Fund balances - Ending	\$ 12,409	\$ 12,609	\$ 12,920	\$ 311
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (189)	
To adjust revenues for accruals			13	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ (176)	

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

Special Revenue Funds - Unsafe Building

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 180,200	\$ 275,987	\$ 263,172	\$ (12,815)
Investment income	1,000	14,600	18,352	3,752
Other	-	2,298	2,298	-
	181,200	292,885	283,822	(9,063)
Expenditures:				
Current:				
Public safety:				
Personnel services	271,847	281,847	243,732	38,115
Supplies	26,450	46,450	30,337	16,113
Other services and charges	564,394	690,560	338,792	351,768
Capital outlay	-	24,580	24,580	-
	862,691	1,043,437	637,441	405,996
Other Financing Sources (Uses):				
Transfers in	681,491	681,491	681,491	-
	-	(69,061)	327,872	396,933
Fund balances - Beginning	544,556	544,556	544,556	-
Fund balances - Ending	\$ 544,556	\$ 475,495	\$ 872,428	\$ 396,933
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ 327,872	
To adjust revenues for accruals			(1,745)	
To adjust expenditures for accruals			718	
To adjust expenditures for encumbrances			44,895	
Net change in fund balance, GAAP basis			\$ 371,740	

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

Special Revenue Funds - Law Enforcement Continuing Education

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 140,000	\$ 152,292	\$ 135,148	\$ (17,144)
Fines and forfeitures	116,000	118,025	103,233	(14,792)
Investment income	5,000	9,300	11,017	1,717
Other	20,500	55,093	38,661	(16,432)
Total revenues	281,500	334,710	288,059	(46,651)
Expenditures:				
Current:				
Public safety:				
Supplies	190,500	295,556	209,754	85,802
Other services and charges	220,000	221,990	152,293	69,697
Total expenditures	410,500	517,546	362,047	155,499
Net change in fund balances	(129,000)	(182,836)	(73,988)	108,848
Fund balances - Beginning	446,232	446,232	446,232	-
Fund balances - Ending	\$ 317,232	\$ 263,396	\$ 372,244	\$ 108,848
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (73,988)	
To adjust revenues for accruals			14,521	
To adjust expenditures for accruals			55,622	
To adjust expenditures for encumbrances			49,877	
Net change in fund balance, GAAP basis			\$ 46,032	

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

Special Revenue Funds - Rental Units Regulation

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 7,375	\$ 7,375	\$ -
Investment income	-	275	351	76
Total revenues	1,000	7,650	7,726	76
Expenditures:				
Current:				
Public safety:				
Other services and charges	500	500	-	500
Net change in fund balances	500	7,150	7,726	576
Fund balances - Beginning	10,130	10,130	10,130	-
Fund balances - Ending	\$ 10,630	\$ 17,280	\$ 17,856	\$ 576
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,726	
To adjust revenues for accruals			1,373	
To adjust expenditures for accruals			(5,866)	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 3,233	

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

Special Revenue Funds - Loss Recovery

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,000	\$ 14,200	\$ 16,668	\$ 2,468
Expenditures:				
Current:				
General government:				
Other services and charges	225,000	270,097	237,311	32,786
Capital outlay	-	2,409	-	2,409
Total expenditures	225,000	272,506	237,311	35,195
Net change in fund balances	(221,000)	(258,306)	(220,643)	37,663
Fund balances - Beginning	627,325	627,325	627,325	-
Fund balances - Ending	\$ 406,325	\$ 369,019	\$ 406,682	\$ 37,663
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (220,643)	
To adjust revenues for accruals			616	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			200,000	
Net change in fund balance, GAAP basis			\$ (20,027)	

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

Special Revenue Funds - Local Road and Street

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,015,689	\$ 2,015,689	\$ 1,975,599	\$ (40,090)
Investment income	30,000	111,300	132,553	21,253
Other	-	38,377	38,375	(2)
	2,045,689	2,165,366	2,146,527	(18,839)
Expenditures:				
Current:				
Highways and streets:				
Supplies	250,000	339,675	92,522	247,153
Other services and charges	1,330,000	1,806,926	1,477,613	329,313
Capital outlay	3,550,000	4,348,109	3,937,801	410,308
	5,130,000	6,494,710	5,507,936	986,774
Other Financing Sources (Uses):				
Transfers in	2,500,000	2,500,000	2,500,000	-
Transfers out	(600,000)	(664,316)	(617,569)	46,747
	(1,184,311)	(2,493,660)	(1,478,978)	1,014,682
Fund balances - Beginning	3,929,500	3,929,500	3,929,500	-
Fund balances - Ending	\$ 2,745,189	\$ 1,435,840	\$ 2,450,522	\$ 1,014,682
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,478,978)	
To adjust revenues for accruals			(155,352)	
To adjust expenditures for accruals			87,932	
To adjust expenditures for encumbrances			2,792,683	
Net change in fund balance, GAAP basis			\$ 1,246,285	

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

Special Revenue Funds - LOIT 2016 Special Distribution

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ -	\$ (215,000)
Investment income	12,500	10,229	10,922	693
Other	-	92,453	92,453	-
	<u>227,500</u>	<u>317,682</u>	<u>103,375</u>	<u>(214,307)</u>
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	65,000	322,319	281,329	40,990
Capital outlay	-	578,944	574,253	4,691
	<u>65,000</u>	<u>901,263</u>	<u>855,582</u>	<u>45,681</u>
Total expenditures				
Net change in fund balances	162,500	(583,581)	(752,207)	(168,626)
Fund balances - Beginning	<u>759,357</u>	<u>759,357</u>	<u>759,357</u>	<u>-</u>
Fund balances - Ending	<u>\$ 921,857</u>	<u>\$ 175,776</u>	<u>\$ 7,150</u>	<u>\$ (168,626)</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (752,207)	
To adjust revenues for accruals			(134)	
To adjust expenditures for accruals			129,528	
To adjust expenditures for encumbrances			164,087	
Net change in fund balance, GAAP basis			\$ (458,726)	

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

Special Revenue Funds - Human Rights Federal Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 247,060	\$ 102,060
Investment income	2,000	10,360	12,491	2,131
Other	20,400	20,400	312	(20,088)
Total revenues	167,400	175,760	259,863	84,103
Expenditures:				
Current:				
General government:				
Personnel services	150,088	160,248	154,296	5,952
Supplies	2,000	2,000	1,330	670
Other services and charges	82,900	128,450	63,401	65,049
Total expenditures	234,988	290,698	219,027	71,671
Other Financing Sources (Uses):				
Transfers out	-	(76,493)	(76,493)	-
Net change in fund balances	(67,588)	(191,431)	(35,657)	155,774
Fund balances - Beginning	529,536	529,536	529,536	-
Fund balances - Ending	\$ 461,948	\$ 338,105	\$ 493,879	\$ 155,774
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (35,657)	
To adjust revenues for accruals			(8,510)	
To adjust expenditures for accruals			(1,710)	
To adjust expenditures for encumbrances			28,192	
Net change in fund balance, GAAP basis			\$ (17,685)	

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

Special Revenue Funds - Local Road and Bridge Grant

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 553,253	\$ (46,747)
Investment income	-	8,600	10,466	1,866
	600,000	608,600	563,719	(44,881)
Total revenues				
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	1,200,000	2,064,741	1,971,197	93,544
	600,000	1,340,000	553,253	(786,747)
Other Financing Sources (Uses):				
Transfers in	600,000	1,340,000	553,253	(786,747)
	-	(116,141)	(854,225)	(738,084)
Net change in fund balances				
Fund balances - Beginning	330,177	330,177	330,177	-
Fund balances - Ending	\$ 330,177	\$ 214,036	\$ (524,048)	\$ (738,084)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (854,225)	
To adjust revenues for accruals			551	
To adjust expenditures for accruals			(80,354)	
To adjust expenditures for encumbrances			974,341	
Net change in fund balance, GAAP basis			\$ 40,313	

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

Special Revenue Funds - MVH Restricted

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,149,515	\$ 3,209,051	\$ 59,536
Investment income	-	12,350	15,007	2,657
Total revenues	-	3,161,865	3,224,058	62,193
Expenditures:				
Current:				
Highways and streets:				
Personnel services	-	750,625	438,746	311,879
Supplies	-	1,565,690	1,385,227	180,463
Other services and charges	-	848,908	774,629	74,279
Total expenditures	-	3,165,223	2,598,602	566,621
Net change in fund balances	-	(3,358)	625,456	628,814
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ (3,358)	\$ 625,456	\$ 628,814
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 625,456	
To adjust revenues for accruals			69,630	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			29,386	
Net change in fund balance, GAAP basis			\$ 724,472	

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

Special Revenue Funds - Morris and Palais Marketing

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,000	\$ 21,600	\$ 21,618	\$ 18
Investment income	800	1,500	1,802	302
Total revenues	15,800	23,100	23,420	320
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	30,000	30,000	18,536	11,464
Net change in fund balances	(14,200)	(6,900)	4,884	11,784
Fund balances - Beginning	57,485	57,485	57,485	-
Fund balances - Ending	\$ 43,285	\$ 50,585	\$ 62,369	\$ 11,784
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,884	
To adjust revenues for accruals			85	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			10,816	
Net change in fund balance, GAAP basis			\$ 15,785	

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

Special Revenue Funds - Morris PAC Self-Promotion

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 125,000	\$ 124,625	\$ 82,464	\$ (42,161)
Investment income	400	3,175	3,934	759
Total revenues	125,400	127,800	86,398	(41,402)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	75,000	75,000	956	74,044
Net change in fund balances	50,400	52,800	85,442	32,642
Fund balances - Beginning	101,746	101,746	101,746	-
Fund balances - Ending	\$ 152,146	\$ 154,546	\$ 187,188	\$ 32,642
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 85,442	
To adjust revenues for accruals			247	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 85,689	

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

Special Revenue Funds - Police Block Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 35	\$ 90	\$ 111	\$ 21
Net change in fund balances	35	90	111	21
Fund balances - Beginning	3,992	3,992	3,992	-
Fund balances - Ending	\$ 4,027	\$ 4,082	\$ 4,103	\$ 21
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 111	
To adjust revenues for accruals			4	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 115	

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

Special Revenue Funds - Hazmat

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 9,350	\$ (650)
Investment income	200	600	721	121
Total revenues	10,200	10,600	10,071	(529)
Expenditures:				
Current:				
Public safety:				
Supplies	10,000	10,472	1,457	9,015
Net change in fund balances	200	128	8,614	8,486
Fund balances - Beginning	19,085	19,085	19,085	-
Fund balances - Ending	\$ 19,285	\$ 19,213	\$ 27,699	\$ 8,486
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,614	
To adjust revenues for accruals			(3,239)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 5,375	

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

Special Revenue Funds - Indiana River Rescue

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 72,000	\$ 111,870	\$ 111,870	\$ -
Investment income	500	5,800	6,998	1,198
Other	-	24,945	24,945	-
	72,500	142,615	143,813	1,198
Expenditures:				
Current:				
Public safety:				
Personnel services	15,500	15,500	462	15,038
Supplies	18,800	43,745	13,695	30,050
Other services and charges	68,500	76,020	20,206	55,814
	102,800	135,265	34,363	100,902
Net change in fund balances	(30,300)	7,350	109,450	102,100
Fund balances - Beginning	181,646	181,646	181,646	-
Fund balances - Ending	\$ 151,346	\$ 188,996	\$ 291,096	\$ 102,100
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 109,450	
To adjust revenues for accruals			(15,242)	
To adjust expenditures for accruals			6,187	
To adjust expenditures for encumbrances			2,782	
Net change in fund balance, GAAP basis			\$ 103,177	

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

Special Revenue Funds - Police Grants

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public safety:				
Other services and charges	\$ -	\$ -	\$ -	\$ -
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			-	
To adjust expenditures for encumbrances			-	
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, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 23,525	\$ 23,525	\$ -
Investment income	500	2,580	3,069	489
Other	2,000	175	175	-
Total revenues	22,500	26,280	26,769	489
Expenditures:				
Current:				
Public safety:				
Supplies	1,500	1,500	-	1,500
Other services and charges	21,000	21,000	6,737	14,263
Total expenditures	22,500	22,500	6,737	15,763
Net change in fund balances	-	3,780	20,032	16,252
Fund balances - Beginning	98,680	98,680	98,680	-
Fund balances - Ending	\$ 98,680	\$ 102,460	\$ 118,712	\$ 16,252
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 20,032	
To adjust revenues for accruals			890	
To adjust expenditures for accruals			140	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 21,062	

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

Special Revenue Funds - COPS MORE Grant

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 53,750	\$ 224,489	\$ 56,495	\$ (167,994)
Fines and forfeitures	10,000	10,000	9,219	(781)
Investment income	500	4,030	4,724	694
Other	27,750	29,800	7,047	(22,753)
Total revenues	92,000	268,319	77,485	(190,834)
Expenditures:				
Current:				
Public safety:				
Supplies	47,000	168,554	148,623	19,931
Other services and charges	45,000	58,350	44,922	13,428
Capital outlay	-	80,000	59,313	20,687
Total expenditures	92,000	306,904	252,858	54,046
Net change in fund balances	-	(38,585)	(175,373)	(136,788)
Fund balances - Beginning	202,528	202,528	202,528	-
Fund balances - Ending	\$ 202,528	\$ 163,943	\$ 27,155	\$ (136,788)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (175,373)	
To adjust revenues for accruals			42,008	
To adjust expenditures for accruals			(121,810)	
To adjust expenditures for encumbrances			142,630	
Net change in fund balance, GAAP basis			\$ (112,545)	

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

Special Revenue Funds - Federal Drug Enforcement

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment income	1,000	3,130	4,055	925
Total revenues	51,000	53,130	4,055	(49,075)
Expenditures:				
Current:				
Public safety:				
Supplies	6,000	6,000	-	6,000
Capital outlay	45,000	45,000	43,499	1,501
Total expenditures	51,000	51,000	43,499	7,501
Net change in fund balances	-	2,130	(39,444)	(41,574)
Fund balances - Beginning	153,920	153,920	153,920	-
Fund balances - Ending	\$ 153,920	\$ 156,050	\$ 114,476	\$ (41,574)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (39,444)	
To adjust revenues for accruals			(1,040)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ (40,484)	

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

Special Revenue Funds - Urban Development Action Grant

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,000	\$ 625	\$ 844	\$ 219
Other	45,240	45,240	84,104	38,864
Total revenues	46,240	45,865	84,948	39,083
Expenditures:				
Current:				
Economic development:				
Other services and charges	60,000	60,000	60,000	-
Net change in fund balances	(13,760)	(14,135)	24,948	39,083
Fund balances - Beginning	28,990	28,990	28,990	-
Fund balances - Ending	\$ 15,230	\$ 14,855	\$ 53,938	\$ 39,083
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 24,948	
To adjust revenues for accruals			(84,032)	
To adjust expenditures for accruals			60,000	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 916	

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

Special Revenue Funds - Leaf Collection and Removal

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 447,139	\$ 447,139	\$ 447,563	\$ 424
Investment income	7,350	13,750	15,370	1,620
Other	-	-	103	103
	<u>454,489</u>	<u>460,889</u>	<u>463,036</u>	<u>2,147</u>
Expenditures:				
Current:				
Highways and streets:				
Personnel services	78,219	78,219	66,057	12,162
Other services and charges	46,743	46,743	43,662	3,081
	<u>124,962</u>	<u>124,962</u>	<u>109,719</u>	<u>15,243</u>
Other Financing Sources (Uses):				
Transfers out	(550,000)	(550,000)	(550,000)	-
	<u>(220,473)</u>	<u>(214,073)</u>	<u>(196,683)</u>	<u>17,390</u>
Fund balances - Beginning	594,755	594,755	594,755	-
Fund balances - Ending	<u>\$ 374,282</u>	<u>\$ 380,682</u>	<u>\$ 398,072</u>	<u>\$ 17,390</u>
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (196,683)	
To adjust revenues for accruals			536	
To adjust expenditures for accruals			1,172	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (194,975)</u>	

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

Special Revenue Funds - Police K-9 Unit

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 20	\$ 60	\$ 65	\$ 5
Other	2,000	2,000	-	(2,000)
Total revenues	2,020	2,060	65	(1,995)
Expenditures:				
Current:				
Public safety:				
Other services and charges	2,020	2,020	-	2,020
Net change in fund balances	-	40	65	25
Fund balances - Beginning	2,335	2,335	2,335	-
Fund balances - Ending	\$ 2,335	\$ 2,375	\$ 2,400	\$ 25
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 65	
To adjust revenues for accruals			1	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 66	

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

Special Revenue Funds - City Cemetery

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 250	\$ 680	\$ 923	\$ 243
Net change in fund balances	250	680	923	243
Fund balances - Beginning	28,987	28,987	28,987	-
Fund balances - Ending	\$ 29,237	\$ 29,667	\$ 29,910	\$ 243
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 923	
To adjust revenues for accruals			(90)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 833	

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

Special Revenue Funds - Bowman Cemetery

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 10,720	\$ 14,521	\$ 3,801
Net change in fund balances	-	10,720	14,521	3,801
Fund balances - Beginning	455,998	455,998	455,998	-
Fund balances - Ending	\$ 455,998	\$ 466,718	\$ 470,519	\$ 3,801
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 14,521	
To adjust revenues for accruals			(1,411)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 13,110	

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

Special Revenue Funds - Industrial Revolving Fund

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 210,000	\$ 232,680	\$ 293,958	\$ 61,278
Total revenues	210,000	232,680	293,958	61,278
Expenditures:				
Current:				
Economic development:				
Other services and charges	157,000	157,000	119,441	37,559
Net change in fund balances	53,000	75,680	174,517	98,837
Fund balances - Beginning	1,632,491	1,632,491	1,632,491	-
Fund balances - Ending	\$ 1,685,491	\$ 1,708,171	\$ 1,807,008	\$ 98,837
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 174,517	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 174,517	

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

Debt Service Funds - 2017 Park Bond Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 1,077,000	\$ 1,077,000	\$ 1,166,972	\$ 89,972
Intergovernmental	41,404	74,209	74,210	1
Investment income	1,000	565	1,413	848
Total revenues	1,119,404	1,151,774	1,242,595	90,821
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,181,143	1,181,143	1,181,140	3
Net change in fund balances	(61,739)	(29,369)	61,455	90,824
Fund balances - Beginning	147,684	147,684	147,684	-
Fund balances - Ending	\$ 85,945	\$ 118,315	\$ 209,139	\$ 90,824
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 61,455	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 61,455	

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

Debt Service Funds - College Football Hall of Fame Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 27	\$ 27	\$ -
Other Financing Sources (Uses):				
Transfers out	-	(97,077)	(97,077)	-
Net change in fund balances	-	(97,050)	(97,050)	-
Fund balances - Beginning	97,077	97,077	97,077	-
Fund balances - Ending	<u>\$ 97,077</u>	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (97,050)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (97,050)</u>	

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

Debt Service Funds - Redevelopment Bond - Airport Taxable

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 14,000	\$ 26,000	\$ 28,483	\$ 2,483
Other Financing Sources (Uses):				
Transfers out	(14,000)	(26,000)	(23,962)	2,038
Net change in fund balances	-	-	4,521	4,521
Fund balances - Beginning	1,040,462	1,040,462	1,040,462	-
Fund balances - Ending	<u>\$ 1,040,462</u>	<u>\$ 1,040,462</u>	<u>\$ 1,044,983</u>	<u>\$ 4,521</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 4,521	
To adjust revenues for accruals			1,113	
To adjust expenditures for accruals			659	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 6,293</u>	

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

Debt Service Funds - Coveleski Bond Debt Service Reserve

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,010	\$ 3,086	\$ 1,076	\$ (2,010)
Other Financing Sources (Uses):				
Transfers out	(525,000)	(527,518)	(527,517)	1
Net change in fund balances	(522,990)	(524,432)	(526,441)	(2,009)
Fund balances - Beginning	526,587	526,587	526,587	-
Fund balances - Ending	\$ 3,597	\$ 2,155	\$ 146	\$ (2,009)
 <u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (526,441)	
To adjust revenues for accruals			(334)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (526,775)</u>	

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

Debt Service Funds - Redevelopment Bond - Palais Royale

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 20,000	\$ 40,000	\$ 47,620	\$ 7,620
Other Financing Sources (Uses):				
Transfers out	(20,000)	(40,000)	(40,061)	(61)
Net change in fund balances	-	-	7,559	7,559
Fund balances - Beginning	1,739,495	1,739,495	1,739,495	-
Fund balances - Ending	<u>\$ 1,739,495</u>	<u>\$ 1,739,495</u>	<u>\$ 1,747,054</u>	<u>\$ 7,559</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 7,559	
To adjust revenues for accruals			1,863	
To adjust expenditures for accruals			1,102	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 10,524</u>	

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

Debt Service Funds - 2018 Fire Station #9 Bond Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Debt service:				
Other services and charges	\$ -	\$ 321,707	\$ 321,706	\$ 1
Other Financing Sources (Uses):				
Transfers in	-	321,707	321,706	(1)
Net change in fund balances	-	-	-	-
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ -</u>	

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

Debt Service Funds - 2018 TIF Park Bond Debt Service Reserve

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,000	\$ 23,370	\$ 27,510	\$ 4,140
Net change in fund balances	1,000	23,370	27,510	4,140
Fund balances - Beginning	993,495	993,495	993,495	-
Fund balances - Ending	\$ 994,495	\$ 1,016,865	\$ 1,021,005	\$ 4,140
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 27,510	
To adjust revenues for accruals			1,101	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 28,611	

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

Debt Service Funds - Century Center Energy Savings

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 221,437	\$ 235,000	\$ 235,000	\$ -
Investment income	40	3,650	4,232	582
Other	103,235	104,510	104,511	1
Total revenues	324,712	343,160	343,743	583
Expenditures:				
Current:				
Debt service:				
Other services and charges	416,424	416,424	415,423	1,001
Other Financing Sources (Uses):				
Transfers in	90,752	90,752	90,752	-
Net change in fund balances	(960)	17,488	19,072	1,584
Fund balances - Beginning	170,609	170,609	170,609	-
Fund balances - Ending	\$ 169,649	\$ 188,097	\$ 189,681	\$ 1,584
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 19,072	
To adjust revenues for accruals			159	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 19,231	

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

Debt Service Funds - Redevelopment Authority Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,700	\$ 6,383	\$ 6,383	\$ -
Expenditures:				
Current:				
Debt service:				
Other services and charges	2,861,269	2,861,269	2,861,669	(400)
Other Financing Sources (Uses):				
Transfers in	2,869,500	2,869,500	2,867,378	(2,122)
Net change in fund balances	10,931	14,614	12,092	(2,522)
Fund balances - Beginning	210,492	210,492	210,492	-
Fund balances - Ending	\$ 221,423	\$ 225,106	\$ 222,584	\$ (2,522)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 12,092	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 12,092</u>	

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

Debt Service Funds - South Bend Building Corporation

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,000	\$ 14,600	\$ 15,243	\$ 643
Expenditures:				
Current:				
Debt service:				
Other services and charges	2,634,750	2,634,750	2,632,744	2,006
Other Financing Sources (Uses):				
Transfers in	2,635,750	2,641,500	2,641,500	-
Net change in fund balances	2,000	21,350	23,999	2,649
Fund balances - Beginning	791,026	791,026	791,026	-
Fund balances - Ending	\$ 793,026	\$ 812,376	\$ 815,025	\$ 2,649
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 23,999	
To adjust revenues for accruals			(487,631)	
To adjust expenditures for accruals			482,955	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 19,323</u>	

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

Debt Service Funds - 2015 Smart Streets Bond Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,500	\$ 4,630	\$ 4,630	\$ -
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,711,369	1,712,019	1,712,019	-
Other Financing Sources (Uses):				
Transfers in	1,715,500	1,715,500	1,715,500	-
Net change in fund balances	6,631	8,111	8,111	-
Fund balances - Beginning	1,726,790	1,726,790	1,726,790	-
Fund balances - Ending	\$ 1,733,421	\$ 1,734,901	\$ 1,734,901	\$ -
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,111	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 8,111</u>	

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

Debt Service Funds - 2015 Park Bond Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,000	\$ 3,527	\$ 3,527	\$ -
Expenditures:				
Current:				
Debt service:				
Other services and charges	383,732	383,732	382,731	1,001
Other Financing Sources (Uses):				
Transfers in	379,431	379,431	409,270	29,839
Net change in fund balances	(3,301)	(774)	30,066	30,840
Fund balances - Beginning	560,431	560,431	560,431	-
Fund balances - Ending	\$ 557,130	\$ 559,657	\$ 590,497	\$ 30,840
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 30,066	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 30,066</u>	

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

Debt Service Funds - 2017 Eddy St. Commons Bond Debt Service

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,500	\$ 8,792	\$ 8,792	\$ -
Expenditures:				
Current:				
Debt service:				
Other services and charges	1,299,125	1,299,125	1,298,125	1,000
Other Financing Sources (Uses):				
Transfers in	1,298,125	1,298,125	1,298,125	-
Net change in fund balances	2,500	7,792	8,792	1,000
Fund balances - Beginning	3,452,908	3,452,908	3,452,908	-
Fund balances - Ending	\$ 3,455,408	\$ 3,460,700	\$ 3,461,700	\$ 1,000
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 8,792	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 8,792</u>	

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

Capital Projects Funds - 2019 South Shore Double Tracking Bond

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 121	\$ 121
Total revenues	-	-	121	121
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	201,794	201,794	-
Capital outlay	-	9,125,000	9,125,000	-
Total expenditures	-	9,326,794	9,326,794	-
Other Financing Sources (Uses):				
Issuance of debt	-	-	9,356,612	9,356,612
Net change in fund balances	-	(9,326,794)	29,939	9,356,733
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ (9,326,794)	\$ 29,939	\$ 9,356,733
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 29,939	
To adjust revenues for accruals			(120)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 29,819	

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

Capital Projects Funds - Professional Sports Development

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 1,201	\$ 1,201	\$ -
Other	18,000	18,000	3,786	(14,214)
Total revenues	20,000	19,201	4,987	(14,214)
Expenditures:				
Current:				
Debt service:				
Other services and charges	354,770	354,770	353,970	800
Other Financing Sources (Uses):				
Transfers in	525,000	527,518	527,517	(1)
Transfers out	-	(178,534)	(178,534)	-
Net change in fund balances	190,230	13,415	-	(13,415)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ 190,230	\$ 13,415	\$ -	\$ (13,415)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ -	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ -	

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

Capital Projects Funds - Coveleski Stadium Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 43,500	\$ 43,500	\$ 23,125	\$ (20,375)
Investment income	750	715	823	108
	44,250	44,215	23,948	(20,267)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	40,000	71,667	38,513	33,154
Capital outlay	-	32,955	32,955	-
	40,000	104,622	71,468	33,154
Total expenditures	40,000	104,622	71,468	33,154
Net change in fund balances	4,250	(60,407)	(47,520)	12,887
Fund balances - Beginning	73,435	73,435	73,435	-
Fund balances - Ending	\$ 77,685	\$ 13,028	\$ 25,915	\$ 12,887
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (47,520)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ (47,520)	

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

Capital Projects Funds - Cumulative Capital Development

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 436,330	\$ 436,330	\$ 455,002	\$ 18,672
Intergovernmental	34,014	40,352	40,353	1
Investment income	3,100	8,940	9,852	912
Total revenues	473,444	485,622	505,207	19,585
Expenditures:				
Current:				
General government:				
Other services and charges	532,121	539,277	539,276	1
Capital outlay	286,000	286,000	285,500	500
Total expenditures	818,121	825,277	824,776	501
Net change in fund balances	(344,677)	(339,655)	(319,569)	20,086
Fund balances - Beginning	529,328	529,328	529,328	-
Fund balances - Ending	\$ 184,651	\$ 189,673	\$ 209,759	\$ 20,086
Budget/GAAP Reconciliation				
Net change in fund balance, budget basis			\$ (319,569)	
To adjust revenues for accruals			457,285	
To adjust expenditures for accruals			(422,769)	
To adjust expenditures for encumbrances			14,389	
Net change in fund balance, GAAP basis			\$ (270,664)	

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

Capital Projects Funds - Cumulative Capital Improvement

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 207,296	\$ 207,296	\$ 231,026	\$ 23,730
Investment income	3,000	11,645	14,444	2,799
Other	25,000	25,000	25,000	-
	235,296	243,941	270,470	26,529
Expenditures:				
Current:				
General government:				
Capital outlay	28,000	28,000	28,000	-
	207,296	215,941	242,470	26,529
Fund balances - Beginning	447,850	447,850	447,850	-
Fund balances - Ending	\$ 655,146	\$ 663,791	\$ 690,320	\$ 26,529
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 242,470	
To adjust revenues for accruals			727	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 243,197	

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

Capital Projects Funds - Major Moves

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 27,500	\$ 60,740	\$ 69,658	\$ 8,918
Other	493,178	584,181	584,181	-
Total revenues	520,678	644,921	653,839	8,918
Expenditures:				
Current:				
Highways and streets:				
Other services and charges	-	1,022,187	952,291	69,896
Capital outlay	1,200,000	1,619,049	1,446,028	173,021
Total expenditures	1,200,000	2,641,236	2,398,319	242,917
Net change in fund balances	(679,322)	(1,996,315)	(1,744,480)	251,835
Fund balances - Beginning	2,772,697	2,772,697	2,772,697	-
Fund balances - Ending	\$ 2,093,375	\$ 776,382	\$ 1,028,217	\$ 251,835
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,744,480)	
To adjust revenues for accruals			(390,543)	
To adjust expenditures for accruals			25,242	
To adjust expenditures for encumbrances			1,172,285	
Net change in fund balance, GAAP basis			\$ (937,496)	

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

Capital Projects Funds - Morris Performing Arts Center Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 137,500	\$ 137,500	\$ 82,464	\$ (55,036)
Investment income	6,000	9,240	10,956	1,716
Other	-	-	575	575
	143,500	146,740	93,995	(52,745)
Expenditures:				
Current:				
Culture and recreation:				
Supplies	15,000	26,127	14,469	11,658
Other services and charges	122,000	119,335	113,194	6,141
Capital outlay	80,000	80,000	14,149	65,851
	217,000	225,462	141,812	83,650
Net change in fund balances	(73,500)	(78,722)	(47,817)	30,905
Fund balances - Beginning	379,010	379,010	379,010	-
Fund balances - Ending	\$ 305,510	\$ 300,288	\$ 331,193	\$ 30,905
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (47,817)	
To adjust revenues for accruals			473	
To adjust expenditures for accruals			(89,344)	
To adjust expenditures for encumbrances			91,759	
Net change in fund balance, GAAP basis			\$ (44,929)	

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Capital Projects Funds - Redevelopment Retail Area (Leighton Plaza)

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 206	\$ 206	\$ -
Other	-	87	-	(87)
Total revenues	-	293	206	(87)
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	772	772	-
Other Financing Sources (Uses):				
Transfers out	-	(7,820)	(7,820)	-
Net change in fund balances	-	(8,299)	(8,386)	(87)
Fund balances - Beginning	8,388	8,388	8,388	-
Fund balances - Ending	\$ 8,388	\$ 89	\$ 2	\$ (87)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (8,386)	
To adjust revenues for accruals			(59)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ (8,445)	

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

Capital Projects Funds - Redevelopment General

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - County redevelopment income tax	\$ 70,356	\$ 84,095	\$ 84,095	\$ -
Investment income	1,000	18,820	24,815	5,995
Other	1,000,000	1,177,112	1,177,112	-
Total revenues	1,071,356	1,280,027	1,286,022	5,995
Expenditures:				
Current:				
Economic development:				
Other services and charges	1,074,000	1,074,000	811,836	262,164
Net change in fund balances	(2,644)	206,027	474,186	268,159
Fund balances - Beginning	615,795	615,795	615,795	-
Fund balances - Ending	\$ 613,151	\$ 821,822	\$ 1,089,981	\$ 268,159
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 474,186	
To adjust revenues for accruals			2,138	
To adjust expenditures for accruals			(58,967)	
To adjust expenditures for encumbrances			389,636	
Net change in fund balance, GAAP basis			\$ 806,993	

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

Capital Projects Funds - TIF - West Washington

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 314,425	\$ 261,830	\$ 261,830	\$ -
Investment income	10,000	37,240	41,430	4,190
Other	-	18,500	18,500	-
	324,425	317,570	321,760	4,190
Total revenues				
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	479	-	479
Capital outlay	900,000	1,694,651	1,431,302	263,349
	900,000	1,695,130	1,431,302	263,828
Total expenditures				
Net change in fund balances	(575,575)	(1,377,560)	(1,109,542)	268,018
Fund balances - Beginning	1,801,466	1,801,466	1,801,466	-
Fund balances - Ending	\$ 1,225,891	\$ 423,906	\$ 691,924	\$ 268,018
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (1,109,542)	
To adjust revenues for accruals			979	
To adjust expenditures for accruals			8,424	
To adjust expenditures for encumbrances			342,165	
Net change in fund balance, GAAP basis			\$ (757,974)	

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

Capital Projects Funds - TIF - River East Development

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 2,808,805	\$ 2,722,643	\$ 2,722,642	\$ (1)
Investment income	57,000	216,100	249,447	33,347
Other	-	7,725	7,725	-
	<u>2,865,805</u>	<u>2,946,468</u>	<u>2,979,814</u>	<u>33,346</u>
Total revenues				
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	174,217	103,671	70,546
Capital outlay	5,100,000	12,027,765	10,181,560	1,846,205
	<u>5,100,000</u>	<u>12,201,982</u>	<u>10,285,231</u>	<u>1,916,751</u>
Total expenditures				
Net change in fund balances	(2,234,195)	(9,255,514)	(7,305,417)	1,950,097
Fund balances - Beginning	10,994,678	10,994,678	10,994,678	-
Fund balances - Ending	<u>\$ 8,760,483</u>	<u>\$ 1,739,164</u>	<u>\$ 3,689,261</u>	<u>\$ 1,950,097</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (7,305,417)	
To adjust revenues for accruals			5,619	
To adjust expenditures for accruals			(271,235)	
To adjust expenditures for encumbrances			4,543,278	
Net change in fund balance, GAAP basis			<u>\$ (3,027,755)</u>	

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

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

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 2,229,283	\$ 2,229,283	\$ 1,755,231	\$ (474,052)
Investment income	30,000	210,560	249,564	39,004
Total revenues	2,259,283	2,439,843	2,004,795	(435,048)
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	964,932	322,124	642,808
Capital outlay	4,000,000	9,387,796	1,745,842	7,641,954
Total expenditures	4,000,000	10,352,728	2,067,966	8,284,762
Net change in fund balances	(1,740,717)	(7,912,885)	(63,171)	7,849,714
Fund balances - Beginning	9,455,102	9,455,102	9,455,102	-
Fund balances - Ending	\$ 7,714,385	\$ 1,542,217	\$ 9,391,931	\$ 7,849,714
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (63,171)	
To adjust revenues for accruals			(124,464)	
To adjust expenditures for accruals			362,950	
To adjust expenditures for encumbrances			234,951	
Net change in fund balance, GAAP basis			\$ 410,266	

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

Capital Projects Funds - TIF - Douglas Road

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 4,664	\$ 5,428	\$ 764
Expenditures:				
Current:				
Economic development:				
Other services and charges	-	208,000	108,800	99,200
Net change in fund balances	-	(203,336)	(103,372)	99,964
Fund balances - Beginning	204,331	204,331	204,331	-
Fund balances - Ending	\$ 204,331	\$ 995	\$ 100,959	\$ 99,964
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (103,372)	
To adjust revenues for accruals			195	
To adjust expenditures for accruals			(14,050)	
To adjust expenditures for encumbrances			87,225	
Net change in fund balance, GAAP basis			<u>\$ (30,002)</u>	

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

Capital Projects Funds - TIF - River East Residential

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - Property	\$ 4,260,716	\$ 4,933,557	\$ 4,933,558	\$ 1
Investment income	14,000	39,283	54,332	15,049
Total revenues	4,274,716	4,972,840	4,987,890	15,050
Expenditures:				
Current:				
Economic development:				
Other services and charges	503,875	503,875	494,828	9,047
Other Financing Sources (Uses):				
Transfers out	(3,771,125)	(3,771,125)	(3,769,003)	2,122
Net change in fund balances	(284)	697,840	724,059	26,219
Fund balances - Beginning	2,990,020	2,990,020	2,990,020	-
Fund balances - Ending	\$ 2,989,736	\$ 3,687,860	\$ 3,714,079	\$ 26,219
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 724,059	
To adjust revenues for accruals			2,650	
To adjust expenditures for accruals			392,522	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			\$ 1,119,231	

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

Capital Projects Funds - Certified Technology Park

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 8,487	\$ 11,102	\$ 11,146	\$ 44
Expenditures:				
Current:				
Economic development:				
Capital outlay	625,000	625,000	624,945	55
Net change in fund balances	(616,513)	(613,898)	(613,799)	99
Fund balances - Beginning	624,204	624,204	624,204	-
Fund balances - Ending	\$ 7,691	\$ 10,306	\$ 10,405	\$ 99
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (613,799)	
To adjust revenues for accruals			(377)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			752	
Net change in fund balance, GAAP basis			<u>\$ (613,424)</u>	

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

Capital Project Funds - Palais Royale Historical Preservation

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 18,500	\$ 18,500	\$ 14,425	\$ (4,075)
Investment income	600	2,523	2,961	438
Total revenues	19,100	21,023	17,386	(3,637)
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	75,000	111,967	72,939	39,028
Net change in fund balances	(55,900)	(90,944)	(55,553)	35,391
Fund balances - Beginning	129,405	129,405	129,405	-
Fund balances - Ending	\$ 73,505	\$ 38,461	\$ 73,852	\$ 35,391
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (55,553)	
To adjust revenues for accruals			(1,766)	
To adjust expenditures for accruals			(2,623)	
To adjust expenditures for encumbrances			34,160	
Net change in fund balance, GAAP basis			\$ (25,782)	

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

Capital Projects Funds - Airport Urban Enterprise Zone

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 6,000	\$ 9,260	\$ 10,900	\$ 1,640
Expenditures:				
Current:				
Economic development:				
Other services and charges	50,000	50,000	-	50,000
Net change in fund balances	(44,000)	(40,740)	10,900	51,640
Fund balances - Beginning	393,651	393,651	393,651	-
Fund balances - Ending	\$ 349,651	\$ 352,911	\$ 404,551	\$ 51,640
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ 10,900	
To adjust revenues for accruals			437	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 11,337</u>	

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

Capital Projects Funds - 2018 Fire Station #9 Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 40,380	\$ 42,008	\$ 1,628
Expenditures:				
Current:				
Public safety:				
Capital outlay	-	3,232,757	3,232,757	-
Net change in fund balances	-	(3,192,377)	(3,190,749)	1,628
Fund balances - Beginning	3,502,969	3,502,969	3,502,969	-
Fund balances - Ending	<u>\$ 3,502,969</u>	<u>\$ 310,592</u>	<u>\$ 312,220</u>	<u>\$ 1,628</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,190,749)	
To adjust revenues for accruals			(1,538)	
To adjust expenditures for accruals			348,012	
To adjust expenditures for encumbrances			89,311	
Net change in fund balance, GAAP basis			<u>\$ (2,754,964)</u>	

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

Capital Projects Funds - 2018 TIF Park Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 50,000	\$ 186,070	\$ 202,657	\$ 16,587
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	-	999,501	999,501	-
Capital outlay	2,150,000	9,426,644	9,426,644	-
Total expenditures	2,150,000	10,426,145	10,426,145	-
Net change in fund balances	(2,100,000)	(10,240,075)	(10,223,488)	16,587
Fund balances - Beginning	10,429,340	10,429,340	10,429,340	-
Fund balances - Ending	\$ 8,329,340	\$ 189,265	\$ 205,852	\$ 16,587
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (10,223,488)	
To adjust revenues for accruals			559	
To adjust expenditures for accruals			(951,237)	
To adjust expenditures for encumbrances			3,889,707	
Net change in fund balance, GAAP basis			\$ (7,284,459)	

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

Capital Projects Funds - 2018 Zoo Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 22,490	\$ 22,489	\$ (1)
Expenditures:				
Current:				
Culture and recreation:				
Capital outlay	-	3,300,000	3,300,000	-
Net change in fund balances	-	(3,277,510)	(3,277,511)	(1)
Fund balances - Beginning	-	-	-	-
Fund balances - Ending	\$ -	\$ (3,277,510)	\$ (3,277,511)	\$ (1)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (3,277,511)	
To adjust revenues for accruals			(1)	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			133,581	
Net change in fund balance, GAAP basis			<u>\$ (3,143,931)</u>	

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

Capital Projects Funds - 2017 Park Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,000	\$ 260,530	\$ 297,324	\$ 36,794
Expenditures:				
Current:				
Culture and recreation:				
Other services and charges	-	21,464	21,464	-
Capital outlay	3,479,400	12,739,403	12,739,403	-
Total expenditures	3,479,400	12,760,867	12,760,867	-
Net change in fund balances	(3,476,400)	(12,500,337)	(12,463,543)	36,794
Fund balances - Beginning	12,975,703	12,975,703	12,975,703	-
Fund balances - Ending	\$ 9,499,303	\$ 475,366	\$ 512,160	\$ 36,794
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (12,463,543)	
To adjust revenues for accruals			7,052	
To adjust expenditures for accruals			401,799	
To adjust expenditures for encumbrances			8,569,760	
Net change in fund balance, GAAP basis			<u>\$ (3,484,932)</u>	

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

Capital Projects Funds - Equipment Vehicle Leasing

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 3,000	\$ 17,000	\$ 16,792	\$ (208)
Expenditures:				
Current:				
General government:				
Other services and charges	-	101,999	101,364	635
Capital outlay	2,034,625	3,549,597	3,575,027	(25,430)
Total expenditures	2,034,625	3,651,596	3,676,391	(24,795)
Other Financing Sources (Uses):				
Issuance of debt	2,034,625	1,472,985	1,472,985	-
Net change in fund balances	3,000	(2,161,611)	(2,186,614)	(25,003)
Fund balances - Beginning	2,942,040	2,942,040	2,942,040	-
Fund balances - Ending	\$ 2,945,040	\$ 780,429	\$ 755,426	\$ (25,003)
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (2,186,614)	
To adjust revenues for accruals			(1,310,262)	
To adjust expenditures for accruals			2,274,037	
To adjust expenditures for encumbrances			261,062	
Net change in fund balance, GAAP basis			\$ (961,777)	

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

Capital Project Funds - 2015 Park Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 840	\$ 840	\$ -
Expenditures:				
Current:				
Culture and recreation:				
Supplies	-	6,082	6,082	-
Other services and charges	-	4,582	4,582	-
Capital outlay	-	460,475	458,815	1,660
Total expenditures	-	471,139	469,479	1,660
Other Financing Sources (Uses):				
Transfers out	-	(3,048)	(3,048)	-
Net change in fund balances	-	(473,347)	(471,687)	1,660
Fund balances - Beginning	471,687	471,687	471,687	-
Fund balances - Ending	<u>\$ 471,687</u>	<u>\$ (1,660)</u>	<u>\$ -</u>	<u>\$ 1,660</u>
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (471,687)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			24,200	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (447,487)</u>	

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

Capital Project Funds - 2015 Smart Streets Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 124	\$ 124	\$ -
Expenditures:				
Current:				
Economic development:				
Capital outlay	-	70,000	68,967	1,033
Net change in fund balances	-	(69,876)	(68,843)	1,033
Fund balances - Beginning	68,843	68,843	68,843	-
Fund balances - Ending	\$ 68,843	\$ (1,033)	\$ -	\$ 1,033
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (68,843)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (68,843)</u>	

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

Capital Project Funds - 2017 Eddy St. Commons Bond Capital

December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,000	\$ 65	\$ 65	\$ -
Expenditures:				
Current:				
Economic development:				
Capital outlay	-	7,650,241	7,650,241	-
Net change in fund balances	2,000	(7,650,176)	(7,650,176)	-
Fund balances - Beginning	7,650,244	7,650,244	7,650,244	-
Fund balances - Ending	\$ 7,652,244	\$ 68	\$ 68	\$ -
<u>Budget/GAAP Reconciliation</u>				
Net change in fund balance, budget basis			\$ (7,650,176)	
To adjust revenues for accruals			-	
To adjust expenditures for accruals			-	
To adjust expenditures for encumbrances			<u>3,048,123</u>	
Net change in fund balance, GAAP basis			<u>\$ (4,602,053)</u>	

NONMAJOR ENTERPRISE FUNDS

Consolidated Building	To account for the operation of the consolidated St. Joseph County/ South Bend Building Department, the South Bend Department of Code Enforcement, and the South Bend Animal Resource Center.
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	To account for the operations of Emergency Medical Services (EMS), as well as to fund purchases of necessary equipment for the Fire Department. Financing is provided by reimbursement paid for ambulance runs and other EMS activity.

December 31, 2019

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 683,948	\$ 396,903	\$ 134,414	\$ 587,225	\$ 1,802,490
Investments	1,601,464	929,349	314,730	1,374,988	4,220,531
Receivables:					
Accounts	17,865	74,713	379,606	1,456,469	1,928,653
Interest	6,893	4,486	1,780	14,526	27,685
Allowance for doubtful accounts	-	-	(25,000)	-	(25,000)
Total current assets	<u>2,310,170</u>	<u>1,405,451</u>	<u>805,530</u>	<u>3,433,208</u>	<u>7,954,359</u>
Noncurrent assets:					
Restricted assets	49,386	-	197,149	2,753,154	2,999,689
Capital assets:					
Assets not subject to depreciation	-	1,440,114	-	-	1,440,114
Assets subject to depreciation	<u>1,824,773</u>	<u>4,565,988</u>	<u>3,729,553</u>	<u>4,498,900</u>	<u>14,619,214</u>
Total noncurrent assets	<u>1,874,159</u>	<u>6,006,102</u>	<u>3,926,702</u>	<u>7,252,054</u>	<u>19,059,017</u>
Total assets	<u>4,184,329</u>	<u>7,411,553</u>	<u>4,732,232</u>	<u>10,685,262</u>	<u>27,013,376</u>
Liabilities					
Current liabilities:					
Accounts payable	42,678	364,361	85,451	126,841	619,331
Due to other governmental units	-	-	-	10,824	10,824
Due to other funds	2,150	1,054	-	-	3,204
Performance deposits payable	7,000	-	-	-	7,000
Accrued liabilities and other:					
Accrued payroll payable	31,460	-	57,774	-	89,234
Accrued interest payable	2,382	-	14,211	70,004	86,597
Other current payables	-	76,669	-	-	76,669
Compensated absences	45,519	-	52,859	-	98,378
Mortgage bonds payable	-	-	-	240,000	240,000
Capital leases	<u>131,978</u>	<u>-</u>	<u>1,056,629</u>	<u>445,903</u>	<u>1,634,510</u>
Total current liabilities	<u>263,167</u>	<u>442,084</u>	<u>1,266,924</u>	<u>893,572</u>	<u>2,865,747</u>
Noncurrent liabilities:					
Mortgage bonds payable	-	-	-	4,277,600	4,277,600
Capital leases	<u>247,140</u>	<u>-</u>	<u>1,686,261</u>	<u>825,922</u>	<u>2,759,323</u>
Total noncurrent liabilities	<u>247,140</u>	<u>-</u>	<u>1,686,261</u>	<u>5,103,522</u>	<u>7,036,923</u>
Total liabilities	<u>510,307</u>	<u>442,084</u>	<u>2,953,185</u>	<u>5,997,094</u>	<u>9,902,670</u>
Net position					
Net investment in capital assets	1,494,719	6,006,102	1,118,887	(1,057,532)	7,562,176
Restricted:					
Cash with fiscal agent	49,386	-	132,224	232,993	414,603
Capital outlay fund	-	-	64,925	1,962,214	2,027,139
Unrestricted	<u>2,129,917</u>	<u>963,367</u>	<u>463,011</u>	<u>3,550,493</u>	<u>7,106,788</u>
Total net position	<u>3,674,022</u>	<u>6,969,469</u>	<u>1,779,047</u>	<u>4,688,168</u>	<u>17,110,706</u>

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

December 31, 2019

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Operating revenue					
Licenses and permits	\$ 2,029,442	\$ -	\$ -	\$ -	\$ 2,029,442
Parking fees	-	988,355	-	-	988,355
Solid waste fees	-	-	5,463,922	-	5,463,922
Charges for sales and services	-	-	-	5,711,959	5,711,959
Other	13,830	16,046	1,389	8,475	39,740
Total operating revenue	2,043,272	1,004,401	5,465,311	5,720,434	14,233,418
Operating expenses					
Other operation and maintenance	3,295,193	872,925	3,726,739	7,181,408	15,076,265
General and administration	791,337	40,274	853,714	-	1,685,325
Depreciation	209,188	261,297	821,865	484,641	1,776,991
Total operating expenses	4,295,718	1,174,496	5,402,318	7,666,049	18,538,581
Operating income (loss)	(2,252,446)	(170,095)	62,993	(1,945,615)	(4,305,163)
Nonoperating revenue (expenses)					
Investment income	56,390	33,703	18,966	150,084	259,143
Interest expense	(8,986)	-	(64,925)	(198,938)	(272,849)
(Loss) gain on sale of assets	(24,571)	(4,145)	(14,177)	10,607	(32,286)
Total nonoperating revenues (expenses)	22,833	29,558	(60,136)	(38,247)	(45,992)
Income (loss) - before contributions and transfers	(2,229,613)	(140,537)	2,857	(1,983,862)	(4,351,155)
Capital contributions - Other capital contributions	-	843,503	-	-	843,503
Transfers in	2,528,909	-	-	1,534,631	4,063,540
Transfers out	(158,943)	-	-	(321,706)	(480,649)
Changes in net position	140,353	702,966	2,857	(770,937)	75,239
Net position - Beginning of (restated)	3,533,669	6,266,503	1,776,190	5,459,105	17,035,467
Net position - End of year	\$ 3,674,022	\$ 6,969,469	\$ 1,779,047	\$ 4,688,168	\$ 17,110,706

Nonmajor Enterprise Funds
Combining Statement of Cash Flows

December 31, 2019

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Cash flows from operating activities					
Receipts from customers and users	\$ 2,031,257	\$ 1,006,295	\$ 5,479,717	\$ 5,695,114	\$ 14,212,383
Payments to suppliers	(550,749)	(694,297)	(2,065,469)	(2,002,340)	(5,312,855)
Payments to employees	(2,722,705)	-	(1,451,934)	(5,170,378)	(9,345,017)
Internal activity - payments to other funds	(861,429)	(36,517)	(998,406)	(262,719)	(2,159,071)
Internal activity - payments from other funds	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(2,103,626)</u>	<u>275,481</u>	<u>963,908</u>	<u>(1,740,323)</u>	<u>(2,604,560)</u>
Cash flows from noncapital financing activities					
Transfers from other funds	2,528,909	-	-	1,534,631	4,063,540
Transfers to other funds	(158,943)	-	-	(321,706)	(480,649)
Net cash (used in) provided by noncapital financing activities	<u>2,369,966</u>	<u>-</u>	<u>-</u>	<u>1,212,925</u>	<u>3,582,891</u>
Cash flows from capital and related financing activities					
Proceeds from capital debt issued for future capital purchase	80,000	-	718,498	-	798,498
Proceeds from sales of capital assets	2,828	-	-	19,953	22,781
Purchase of capital assets	(133,744)	(308,097)	(719,498)	(729,160)	(1,890,499)
Principal paid on capital debt	(126,441)	-	(970,852)	(669,910)	(1,767,203)
Interest paid on capital debt	(9,285)	-	(67,079)	(207,391)	(283,755)
Net cash (used in) provided by capital and related financing activities	<u>(186,642)</u>	<u>(308,097)</u>	<u>(1,038,931)</u>	<u>(1,586,508)</u>	<u>(3,120,178)</u>
Cash flows from investing activities					
Interest received on investments	55,391	32,916	18,763	153,381	260,451
Proceeds from sale and maturities of investment securities	(208,815)	(46,610)	19,290	890,830	654,695
Net cash provided by (used in) investing activities	<u>(153,424)</u>	<u>(13,694)</u>	<u>38,053</u>	<u>1,044,211</u>	<u>915,146</u>
Net (decrease) increase in cash and cash equivalents	<u>(73,726)</u>	<u>(46,310)</u>	<u>(36,970)</u>	<u>(1,069,695)</u>	<u>(1,226,701)</u>
Cash and cash equivalents - beginning of year	<u>807,060</u>	<u>443,213</u>	<u>323,038</u>	<u>2,644,114</u>	<u>4,217,425</u>
Cash and cash equivalents - end of year	<u>\$ 733,334</u>	<u>\$ 396,903</u>	<u>\$ 286,068</u>	<u>\$ 1,574,419</u>	<u>\$ 2,990,724</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows (Continued)

December 31, 2019

	Consolidated Building	Parking Garage	Solid Waste	Emergency Medical Services	Total
Classification of cash and cash equivalents					
Cash and investments	\$ 2,285,412	\$ 1,326,252	\$ 449,144	\$ 1,962,213	\$ 6,023,021
Restricted cash and investments	49,386	-	197,149	2,753,154	2,999,689
Less amounts classified as investments	<u>(1,601,464)</u>	<u>(929,349)</u>	<u>(360,225)</u>	<u>(3,140,948)</u>	<u>(6,031,986)</u>
Total cash and cash equivalents	<u>\$ 733,334</u>	<u>\$ 396,903</u>	<u>\$ 286,068</u>	<u>\$ 1,574,419</u>	<u>\$ 2,990,724</u>
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	\$ (2,252,446)	\$ (170,095)	\$ 62,993	\$ (1,945,615)	\$ (4,305,163)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	209,188	261,297	821,865	484,641	1,776,991
Changes in assets and liabilities:					
Receivables	(12,015)	(30,628)	14,406	(25,320)	(53,557)
Prepaid expenses and other assets	-	-	-	8,859	8,859
Accounts payable	31,983	182,014	19,346	44,808	278,151
Due to other governments	-	-	-	2,236	2,236
Performance deposit	(1,250)	-	-	-	(1,250)
Due to other funds	1,444	371	-	(1,563)	252
Accrued payroll payable	(22,897)	-	25,144	(109,314)	(107,067)
Compensated absences payable	(57,633)	-	20,154	(199,055)	(236,534)
Other current payables	-	32,522	-	-	32,522
Estimate of unfiled claims	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,103,626)</u>	<u>\$ 275,481</u>	<u>\$ 963,908</u>	<u>\$ (1,740,323)</u>	<u>\$ (2,604,560)</u>
Noncash investing, capital, and financing activities					
Capital assets acquired through lease	\$ -	\$ -	\$ -	\$ -	\$ -
Capital assets disposed (at cost)	-	(13,815)	(159,080)	(436,803)	(609,698)
Capital asset contribution	-	843,503	-	-	843,503
Work in progress completed transferred to capital assets	-	-	-	-	-
Accumulated depreciation on disposals of capital assets	-	9,671	144,902	427,457	582,030
Accumulated depreciation on transfers of capital assets	-	-	-	-	-

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.

December 31, 2019

	Liability Insurance Premium Reserve	Self-Funded Employee Benefits	Central Services	Police Take Home Vehicle	Innovation & Technology 311 Call Center	Unemployment Compensation Insurance	Parental Leave	Total
Assets								
Current assets:								
Cash and cash equivalents	\$ 1,484,790	\$ 2,801,583	\$ 442,041	\$ 217,026	\$ 930,223	\$ 54,141	\$ 9,745	\$ 5,939,549
Investments	3,476,637	6,475,736	1,035,039	508,167	2,178,119	126,771	22,818	13,823,287
Receivables:								
Accounts	1,405,210	9,147	109,228	-	5,796	-	-	1,529,381
Interest	17,033	31,929	4,200	2,495	9,794	617	106	66,174
Due from other funds	-	-	-	-	73,046	-	-	73,046
Inventory	-	-	910,211	-	-	-	-	910,211
Prepaid expenses	286,510	-	750	-	615,555	-	-	902,815
Total current assets	6,670,180	9,318,395	2,501,469	727,688	3,812,533	181,529	32,669	23,244,463
Noncurrent assets:								
Restricted assets	-	-	8,161	-	56,517	-	-	64,678
Capital assets:								
Assets subject to depreciation	-	-	1,191,271	-	-	-	-	1,191,271
Total noncurrent assets	-	-	1,199,432	-	56,517	-	-	1,255,949
Total assets	6,670,180	9,318,395	3,700,901	727,688	3,869,050	181,529	32,669	24,500,412
Liabilities								
Current liabilities:								
Accounts payable	131,436	195,874	756,658	682	163,154	8,809	-	1,256,613
Due to other funds	-	-	1,390	-	-	-	-	1,390
Accrued liabilities and other:								
Accrued payroll payable	11,517	-	86,726	-	74,945	-	-	173,188
Accrued interest payable	-	-	201	-	9,539	-	-	9,740
Compensated absences	11,679	-	111,439	-	128,911	-	-	252,029
Claims payable	1,746,773	1,024,845	-	-	-	-	-	2,771,618
Capital leases	-	-	22,487	-	523,266	-	-	545,753
Total current liabilities	1,901,405	1,220,719	978,901	682	899,815	8,809	-	5,010,331
Noncurrent liabilities:								
Capital leases	-	-	31,711	-	1,155,719	-	-	1,187,430
Total noncurrent liabilities	-	-	31,711	-	1,155,719	-	-	1,187,430
Total liabilities	1,901,405	1,220,719	1,010,612	682	2,055,534	8,809	-	6,197,761
Net position								
Net investment in capital assets	-	-	1,145,234	-	(1,622,468)	-	-	(477,234)
Unrestricted	4,768,775	8,097,676	1,545,055	727,006	3,435,984	172,720	32,669	18,779,885
Total net position	\$ 4,768,775	\$ 8,097,676	\$ 2,690,289	\$ 727,006	\$ 1,813,516	\$ 172,720	\$ 32,669	\$ 18,302,651

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

December 31, 2019

	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 revenue								
Employee/employer contributions	\$ 3,931,197	\$ 13,337,170	\$ -	\$ 5,333	\$ 7,991,331	\$ -	\$ 166,529	\$ 25,431,560
Charges for sales and services	-	-	13,321,421	-	165,631	-	-	13,487,052
Other	2,394,615	397,524	18,428	-	58,657	-	-	2,869,224
Total operating revenue	6,325,812	13,734,694	13,339,849	5,333	8,215,619	-	166,529	41,787,836
Operating expenses								
Other operation and maintenance	333,870	1,638,980	12,633,635	50,682	8,121,106	-	186,085	22,964,358
General and administration	523,453	-	393,650	-	-	-	-	917,103
Insurance claims and premiums	2,488,631	15,404,120	-	-	-	39,365	-	17,932,116
Depreciation	-	-	123,456	-	1,099	-	-	124,555
Total operating expenses	3,345,954	17,043,100	13,150,741	50,682	8,122,205	39,365	186,085	41,938,132
Operating income (loss)	2,979,858	(3,308,406)	189,108	(45,349)	93,414	(39,365)	(19,556)	(150,296)
Nonoperating revenue (expenses)								
Investment income	123,859	297,073	26,744	21,385	74,174	5,388	956	549,579
Interest expense	-	-	(1,518)	-	(58,255)	-	-	(59,773)
(Loss) gain on sale of assets	-	-	2,332	-	-	-	-	2,332
Total nonoperating revenues (expenses)	123,859	297,073	27,558	21,385	15,919	5,388	956	492,138
Income (loss) - before contributions and transfers	3,103,717	(3,011,333)	216,666	(23,964)	109,333	(33,977)	(18,600)	341,842
Transfers out	-	-	-	-	(600,000)	-	-	(600,000)
Changes in net position	3,103,717	(3,011,333)	216,666	(23,964)	(490,667)	(33,977)	(18,600)	(258,158)
Net position - Beginning of year	1,665,058	11,109,009	2,473,623	750,970	2,304,183	206,697	51,269	18,560,809
Net position - End of year	\$ 4,768,775	\$ 8,097,676	\$ 2,690,289	\$ 727,006	\$ 1,813,516	\$ 172,720	\$ 32,669	\$ 18,302,651

	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	\$ 2,394,615	\$ 4,538,545	\$ 13,269,093	\$ 5,333	\$ -	\$ -	\$ -	\$ 20,207,586
Receipts from interfund services and reimbursements	2,539,537	9,203,125	22,012	-	8,150,714	-	166,529	20,081,917
Payments to suppliers	(3,428,696)	(16,760,359)	(9,797,020)	-	(4,967,058)	(32,956)	-	(34,986,089)
Payments to employees	(213,395)	-	(2,654,429)	-	(2,258,622)	-	(186,085)	(5,312,531)
Internal activity - payments to other funds	(144,621)	-	(544,534)	(50,000)	(4,765)	-	-	(743,920)
Net cash provided by (used in) operating activities	1,147,440	(3,018,689)	295,122	(44,667)	920,269	(32,956)	(19,556)	(753,037)
Cash flows from noncapital financing activities								
Transfers to other funds	-	-	-	-	(600,000)	-	-	(600,000)
Net cash (used in) provided by noncapital financing activities	-	-	-	-	(600,000)	-	-	(600,000)
Cash flows from capital and related financing activities								
Proceeds from capital debt issued for future capital purchase	-	-	40,000	-	-	-	-	40,000
Proceeds from sales of capital assets	-	-	4,278	-	-	-	-	4,278
Purchase of capital assets	-	-	(31,846)	-	-	-	-	(31,846)
Principal paid on capital debt	-	-	(18,088)	-	(390,612)	-	-	(408,700)
Interest paid on capital debt	-	-	(1,434)	-	(52,293)	-	-	(53,727)
Net cash (used in) provided by capital and related financing activities	-	-	(7,090)	-	(442,905)	-	-	(449,995)
Cash flows from investing activities								
Interest received on investments	117,209	298,881	25,588	20,984	72,178	5,354	993	541,187
Proceeds from sale and maturities of investment securities	(1,015,545)	1,487,781	(255,044)	(9,610)	(341,811)	12,045	11,219	(110,965)
Net cash provided by (used in) investing activities	(898,336)	1,786,662	(229,456)	11,374	(269,633)	17,399	12,212	430,222
Net (decrease) increase in cash and cash equivalents	249,104	(1,232,027)	58,576	(33,293)	(392,269)	(15,557)	(7,344)	(1,372,810)
Cash and cash equivalents - beginning of year	1,235,686	4,033,610	391,626	250,319	1,379,009	69,698	17,089	7,377,037
Cash and cash equivalents - end of year	\$ 1,484,790	\$ 2,801,583	\$ 450,202	\$ 217,026	\$ 986,740	\$ 54,141	\$ 9,745	\$ 6,004,227
Classification of cash and cash equivalents								
Cash and investments	\$ 4,961,427	\$ 9,277,319	\$ 1,477,080	\$ 725,193	\$ 3,108,342	\$ 180,912	\$ 32,563	\$ 19,762,836
Restricted cash and investments	-	-	8,161	-	56,517	-	-	64,678
Less amounts classified as investments	(3,476,637)	(6,475,736)	(1,035,039)	(508,167)	(2,178,119)	(126,771)	(22,818)	(13,823,287)
Total cash and cash equivalents	\$ 1,484,790	\$ 2,801,583	\$ 450,202	\$ 217,026	\$ 986,740	\$ 54,141	\$ 9,745	\$ 6,004,227
Reconciliation of operating income (loss) to net cash from operating activities								
Operating income (loss)	\$ 2,979,858	\$ (3,308,406)	\$ 189,108	\$ (45,349)	\$ 93,414	\$ (39,365)	\$ (19,556)	\$ (150,296)
Adjustments to reconcile operating income (loss) to net cash from operating activities:								
Depreciation and amortization	-	-	123,456	-	1,099	-	-	124,555
Lease proceeds used for noncapital expenses	-	-	-	-	789,413	-	-	789,413
Changes in assets and liabilities:								
Receivables	(1,391,660)	6,976	(48,744)	-	8,141	-	-	(1,425,287)
Due from other funds	-	-	-	-	(73,046)	-	-	(73,046)
Inventory	-	-	(39,594)	-	-	-	-	(39,594)
Prepaid expenses and other assets	(73,865)	-	3,226	-	7,654	-	-	(62,985)
Accounts payable	18,556	176,911	46,858	682	32,943	6,409	-	282,359
Due to other funds	-	-	175	-	-	-	-	175
Accrued payroll payable	7,019	-	33,133	-	30,581	-	-	70,733
Compensated absences payable	385	-	(12,496)	-	30,070	-	-	17,959
Estimate of unfilled claims	(392,853)	105,830	-	-	-	-	-	(287,023)
Net cash provided by (used in) operating activities	\$ 1,147,440	\$ (3,018,689)	\$ 295,122	\$ (44,667)	\$ 920,269	\$ (32,956)	\$ (19,556)	\$ (753,037)
Noncash investing, capital, and financing activities								
Capital assets disposed (at cost)	\$ -	\$ -	\$ (125,182)	\$ -	\$ -	\$ -	\$ -	\$ (125,182)
Accumulated depreciation on disposals of capital assets	-	-	123,236	-	-	-	-	123,236

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

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

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, 2019

	Pension Trust Funds			Custodial Funds		
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Payroll	Police Distribution Payable	Total Custodial Funds
Assets						
Cash and cash equivalents	\$ 208,932	\$ 100,704	\$ 309,636	\$ 335,621	\$ 857,178	\$ 1,192,799
Investments	489,216	235,798	725,014	-	-	-
Receivables - Accounts	-	-	-	-	-	-
Receivables - Interest	3,168	1,741	4,909	-	-	-
Total assets	701,316	338,243	1,039,559	335,621	857,178	1,192,799
Liabilities						
Accounts payable	101	70	171	-	-	-
Accrued liabilities and other	-	-	-	335,621	-	335,621
Customer deposits payable	-	-	-	-	-	-
Police distribution payable	-	-	-	-	857,178	857,178
Total liabilities	101	70	171	335,621	857,178	1,192,799
Net position for pension benefits and other purposes	\$ 701,215	\$ 338,173	\$ 1,039,388	\$ -	\$ -	\$ -

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

December 31, 2019

	Pension Trust Funds			Custodial Funds		
	1925 Police Pension	1937 Firefighters' Pension	Total Pension Trust Funds	Payroll	Police Distribution Payable	Total Custodial Funds
Additions						
Investment income - Interest and dividends	\$ 18,102	\$ 9,432	\$ 27,534	\$ -	\$ -	\$ -
Police asset seizures	-	-	-	-	40,211	40,211
Payroll:						
Employee payroll	-	-	-	107,339,435	-	107,339,435
Collection of taxes for other governments	-	-	-	3,787,134	-	3,787,134
Total Payroll	-	-	-	111,126,568	-	111,126,568
Contributions:						
On behalf	6,111,782	4,466,993	10,578,775	-	-	-
Other	1,996	-	1,996	-	-	-
Net contributions	6,113,778	4,466,993	10,580,771	-	-	-
 Total additions	 6,131,880	 4,476,425	 10,608,305	 111,126,568	 40,211	 111,126,568
Deductions						
Benefit payments	6,365,546	4,439,495	10,805,041	-	-	-
Payroll distributions and payment of tax to other gov't's	-	-	-	111,126,568	-	111,126,568
Police distributions	-	-	-	-	40,211	40,211
Administrative expenses	14,304	14,309	28,613	-	-	-
 Total deductions	 6,379,850	 4,453,804	 10,833,654	 111,126,568	 40,211	 111,126,568
Net increase (decrease) in net position held in trust	(247,970)	22,621	(225,349)	-	-	-
Net position - Beginning of year	949,185	315,552	1,264,737	-	-	-
Net position - End of year	\$ 701,215	\$ 338,173	\$ 1,039,388	\$ -	\$ -	\$ -

Statistical Section

This part of the comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

The statistical section is organized into the following main categories:

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

Operating information

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

Financial Trends

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

Net Position by Component

Last Ten Fiscal Years

	As of December 31,				As of December 31,					
	2010	2011	2012	2013	2014 (1)	2015 (1)	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 186,771,216	\$ 196,265,413	\$ 202,779,954	\$ 192,190,446	\$ 168,275,521	\$ 157,604,691	\$ 161,341,318	\$ 155,912,682	\$ 143,282,487	\$ 123,340,793
Restricted	8,840,610	9,354,772	8,050,418	7,990,172	8,723,878	9,137,552	8,669,117	9,245,531	11,639,254	11,332,302
Unrestricted	96,539,932	82,271,482	71,992,457	86,413,227	(18,581,970)	(25,882,348)	(7,327,797)	(16,751,916)	3,673,134	(69,988)
Total net position	<u>\$ 292,151,758</u>	<u>\$ 287,891,667</u>	<u>\$ 282,822,829</u>	<u>\$ 286,593,845</u>	<u>\$ 158,417,429</u>	<u>\$ 140,859,895</u>	<u>\$ 162,682,638</u>	<u>\$ 148,406,297</u>	<u>\$ 158,594,875</u>	<u>\$ 134,603,107</u>
Business-type activities										
Net investment in capital assets	\$ 122,108,095	\$ 103,463,004	\$ 113,193,929	\$ 114,506,252	\$ 136,685,811	\$ 141,998,384	\$ 145,288,974	\$ 145,585,038	\$ 147,069,159	\$ 155,288,994
Restricted	13,320,967	12,937,988	29,259,933	48,267,664	26,587,012	28,397,290	31,963,852	29,623,015	33,936,695	34,701,170
Unrestricted	19,262,192	45,733,630	26,957,505	7,906,258	22,426,017	24,415,739	25,357,665	28,103,338	30,785,421	30,004,802
Total net position	<u>\$ 154,691,254</u>	<u>\$ 162,134,622</u>	<u>\$ 169,411,367</u>	<u>\$ 170,680,174</u>	<u>\$ 185,698,840</u>	<u>\$ 194,811,413</u>	<u>\$ 202,610,491</u>	<u>\$ 203,311,391</u>	<u>\$ 211,791,275</u>	<u>\$ 219,994,966</u>
Primary government										
Net investment in capital assets	\$ 308,879,311	\$ 299,728,417	\$ 315,973,883	\$ 306,696,698	\$ 304,961,332	\$ 299,603,075	\$ 306,630,292	\$ 301,497,720	\$ 290,531,646	\$ 278,629,787
Restricted	22,161,577	22,292,760	37,310,351	56,257,836	35,310,890	37,534,842	40,632,969	\$ 38,868,546	45,575,949	46,033,472
Unrestricted	115,802,124	128,005,112	98,949,962	94,319,485	3,844,047	(1,466,609)	18,029,868	11,351,422	34,458,555	29,934,814
Total net position	<u>\$ 446,843,012</u>	<u>\$ 450,026,289</u>	<u>\$ 452,234,196</u>	<u>\$ 457,274,019</u>	<u>\$ 344,116,269</u>	<u>\$ 335,671,308</u>	<u>\$ 365,293,129</u>	<u>\$ 351,717,688</u>	<u>\$ 370,566,150</u>	<u>\$ 354,598,073</u>

(1) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.

Net position is defined as the difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources and can generally be thought of as the net worth of the City of South Bend.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General Government	\$ (8,261,861)	\$ (16,783,351)	\$ (13,788,310)	\$ (13,200,898)	\$ (19,013,453)	\$ (21,572,776)	\$ (15,618,817)	\$ (16,750,853)	\$ (12,654,430)	\$ (10,915,147)
Public Safety	(62,106,991)	(73,530,442)	(69,977,237)	(76,023,819)	(68,783,155)	(56,528,448)	(55,029,909)	(71,656,865)	(69,209,163)	(92,017,691)
Highways and Streets	(9,526,537)	(7,574,003)	(14,639,158)	(20,915,815)	(13,031,500)	(20,045,444)	(13,550,535)	(21,716,658)	(17,223,378)	(27,114,327)
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Community and Economic Development	(30,744,012)	(34,648,975)	(20,217,987)	(10,069,690)	(19,780,791)	(40,727,612)	(28,436,368)	(26,326,989)	(33,801,755)	(44,698,518)
Culture and Recreation	(16,036,194)	(15,566,794)	(21,724,589)	(26,846,471)	(16,802,311)	(20,300,768)	(17,156,094)	(19,332,902)	(26,076,331)	(24,641,558)
Bond Issuance Costs	-	-	-	-	-	(372,432)	-	-	-	-
Interest on Long-Term Debt	(7,339,548)	(6,798,531)	(6,134,406)	(5,961,124)	(2,497,849)	(4,762,714)	(4,727,630)	(4,538,530)	(5,718,172)	(5,746,755)
Total governmental activities expenses	(134,015,143)	(154,902,096)	(146,481,687)	(153,017,817)	(139,909,059)	(164,310,194)	(134,519,353)	(160,322,797)	(164,683,229)	(205,133,996)
Business-type activities:										
Water	(12,525,246)	(11,972,840)	(12,228,014)	(15,221,865)	(13,020,610)	(13,609,378)	(14,900,039)	(14,902,682)	(14,788,847)	(16,268,059)
Wastewater	(21,403,663)	(22,260,005)	(23,809,975)	(26,390,790)	(25,521,753)	(25,737,867)	(26,420,526)	(32,548,087)	(25,744,139)	(32,482,382)
Century Center	(2,989,586)	(3,100,484)	(2,929,268)	(4,330,656)	(4,747,838)	(4,854,747)	(5,364,472)	(5,121,336)	(5,287,797)	(5,469,673)
Consolidated Building Department (1)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)	(3,240,172)	(3,704,963)	(4,136,837)	(4,329,275)
Parking Garage	(1,438,288)	(1,467,646)	(1,721,655)	(1,285,056)	(1,660,596)	(2,139,182)	(909,857)	(1,177,363)	(459,536)	(1,178,641)
Solid Waste	(4,204,056)	(4,962,157)	(5,118,806)	(5,091,588)	(5,811,526)	(5,243,972)	(5,794,913)	(5,169,128)	(5,467,986)	(5,481,420)
Blackthorn Golf Course	(1,995,556)	(1,689,042)	(1,841,998)	(1,497,513)	(1,874,962)	(165,977)	-	-	-	-
Emergency Medical Services (2)	-	-	-	-	-	(6,596,206)	(7,437,349)	(8,617,050)	(8,987,340)	(7,864,987)
Total business-type activities net expenses	(45,486,515)	(46,323,473)	(48,559,092)	(54,949,283)	(55,879,605)	(61,899,676)	(64,067,328)	(71,240,609)	(64,872,482)	(73,074,437)
Total primary government net position	(179,501,658)	(201,225,569)	(195,040,779)	(207,967,100)	(195,788,664)	(226,209,870)	(198,586,681)	(231,563,406)	(229,555,711)	(278,208,433)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenue										
Governmental activities:										
Charges for services:										
General Government	\$ 6,964,269	\$ 1,165,018	\$ 2,100,103	\$ 1,939,865	\$ 1,451,438	\$ 1,188,531	\$ 1,622,788	\$ 1,118,328	\$ 718,155	\$ 452,796
Public Safety	4,916,958	4,096,566	5,079,182	5,210,272	4,992,228	529,386	975,712	648,136	702,977	521,835
Highways and Streets	28,110	227,000	291,840	451,363	728,343	676,429	707,547	976,095	-	244,790
Community and Economic Develop.	283,420	683,503	271,366	444,839	485,938	408,654	481,293	1,489,942	698,252	199,405
Culture and Recreation	4,995,049	4,681,536	5,224,543	5,112,019	3,815,920	3,726,359	4,383,977	4,308,699	4,356,659	4,240,087
Operating Grants and Contributions	29,467,573	32,091,246	24,937,596	21,466,622	3,203,805	2,813,481	2,644,272	11,828,681	26,248,738	14,701,908
Capital Grants and Contributions	1,472,233	2,328,468	2,468,120	1,867,213	-	-	-	1,000,000	4,100,000	3,605,801
Total governmental activities program revenues	<u>48,127,612</u>	<u>45,273,337</u>	<u>40,372,750</u>	<u>36,492,193</u>	<u>14,677,672</u>	<u>9,342,840</u>	<u>10,815,589</u>	<u>21,369,881</u>	<u>36,824,781</u>	<u>23,966,622</u>
Business-type activities:										
Charges for services:										
Water	14,194,442	14,080,592	15,409,171	15,102,462	14,373,176	14,204,285	15,091,372	15,290,203	17,183,460	20,440,181
Wastewater	26,001,156	29,407,263	30,657,698	32,474,743	34,009,117	36,638,804	39,061,562	38,794,212	39,931,429	41,324,779
Century Center	2,869,010	2,894,913	2,680,076	3,463,813	2,227,171	4,202,564	4,796,676	3,055,793	3,258,017	3,268,026
Consolidated Building Department	875,481	899,397	1,000,381	967,667	1,387,571	2,037,950	1,764,100	1,902,493	2,044,582	2,043,272
Parking Garage	1,047,784	1,071,078	921,044	968,868	1,017,218	968,417	996,197	1,264,706	1,323,524	1,004,401
Solid Waste	4,745,547	4,830,342	5,081,991	5,399,044	5,295,712	5,364,871	5,839,143	5,420,711	5,471,364	5,465,311
Blackthorn Golf Course	1,479,415	1,392,999	1,669,372	1,530,402	1,548,341	-	109,949	-	-	-
Emergency Medical Services	-	-	-	-	-	6,470,446	7,921,172	7,308,243	6,727,643	5,720,434
Operating Grants and Contributions	-	-	-	-	-	-	-	-	278,112	-
Capital Grants and Contributions	1,889,165	4,291,731	2,010,253	697,916	95,834	4,683,424	649,609	1,170,970	-	1,710,762
Total business-type activities program revenues	<u>53,102,000</u>	<u>58,868,315</u>	<u>59,429,986</u>	<u>60,604,915</u>	<u>59,954,140</u>	<u>74,680,710</u>	<u>76,119,831</u>	<u>74,207,331</u>	<u>76,218,131</u>	<u>80,977,166</u>
Total primary government program revenues	<u>101,229,612</u>	<u>104,141,652</u>	<u>99,802,736</u>	<u>97,097,108</u>	<u>74,631,812</u>	<u>84,023,550</u>	<u>86,935,420</u>	<u>95,577,212</u>	<u>113,042,912</u>	<u>104,943,788</u>
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	(103,726,403)	(106,774,484)	45,273,337	(106,108,937)	(116,525,624)	(125,231,387)	(123,703,764)	(138,952,916)	(127,858,448)	(181,167,374)
Business-type activities	8,954,365	6,778,527	58,868,315	10,870,894	5,655,632	4,074,535	12,052,503	2,966,722	11,345,649	7,902,729
Total primary government net expense	<u>(94,772,038)</u>	<u>(99,995,957)</u>	<u>104,141,652</u>	<u>(95,238,043)</u>	<u>(110,869,992)</u>	<u>(121,156,852)</u>	<u>(111,651,261)</u>	<u>(135,986,194)</u>	<u>(116,512,799)</u>	<u>(173,264,645)</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 77,315,641	\$ 76,445,349	\$ 71,775,415	\$ 72,018,650	\$ 69,221,468	\$ 72,032,049	\$ 76,331,581	\$ 78,266,107	\$ 80,155,902	\$ 82,470,667
County Option Income Tax	11,502,052	13,219,723	13,748,824	13,739,325	15,025,840	14,847,338	21,194,795	17,579,628	20,210,633	22,169,072
Economic Develop. Income Tax	7,335,113	8,044,773	8,324,878	8,177,352	8,796,821	9,031,709	9,594,602	10,600,122	12,700,892	12,474,651
Professional Sports Develop. Tax	597,406	558,268	633,904	649,996	588,054	628,261	673,787	347,255	-	-
Community Revitalization District Tax	416,149	733,100	653,185	244,623	-	-	-	-	-	-
Hotel/motel Tax	-	-	-	-	-	-	-	-	616,437	-
Unrestricted Grants and Contributions	4,883,081	3,964,336	3,891,810	5,893,924	28,473,888	25,487,112	25,846,397	17,160,034	4,819,125	13,680,283
Unrestricted Investment earnings	868,023	1,050,768	1,317,443	762,270	951,901	1,322,674	1,458,787	1,687,888	3,304,646	5,136,772
Other	2,627,341	3,483,054	6,623,313	14,285,314	6,747,199	11,214,442	6,745,542	8,731,916	10,523,004	17,646,068
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Net Pension Obligation	-	-	-	-	-	-	-	-	-	-
Transfers	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415	3,681,016	4,123,183	5,229,661	2,768,851
Total governmental activities	104,895,983	110,540,547	110,848,493	120,296,641	129,122,122	137,410,000	145,526,507	138,496,133	137,560,300	156,346,364
Business-type activities:										
Unrestricted Investment earnings	146,826	206,409	285,572	138,362	128,168	358,918	570,982	578,773	1,088,896	1,784,206
Other	-	-	-	-	1,501,664	-	-	1,278,588	1,275,000	1,275,000
Transfers	648,823	(3,041,176)	(3,879,721)	(4,525,187)	683,049	(2,846,415)	(3,681,016)	(4,123,183)	(5,229,661)	(2,768,851)
Total business-type activities	795,649	(2,834,767)	(3,594,149)	(4,386,825)	2,312,881	(2,487,497)	(3,110,034)	(2,265,822)	(2,865,765)	290,355
Total primary government	105,691,632	107,705,780	107,254,344	115,909,816	131,435,003	134,922,503	142,416,473	136,230,311	134,694,535	156,636,719
Special Item (Governmental activities):										
Well field contamination settlement	-	-	-	-	-	-	-	-	-	-
Disposal of operations	-	-	-	-	-	(1,180,964)	-	-	-	-
Change in Net Position										
Governmental activities	150,169,320	911,788	4,739,556	3,771,016	3,890,735	(17,557,354)	21,822,743	(456,783)	9,701,852	(24,821,010)
Business-type activities	59,663,964	9,710,075	7,276,745	1,268,807	6,387,416	9,112,573	7,799,078	700,900	8,479,884	8,193,084
Total primary government	\$ 209,833,284	\$ 10,621,863	\$ 12,016,301	\$ 5,039,823	\$ 10,278,151	\$ (8,444,781)	\$ 29,621,821	\$ 244,117	\$ 18,181,736	\$ (16,627,926)

Excludes prior period adjustments

Changes in net assets is defined as the incremental difference between total assets and total liabilities as a result of operations during the fiscal year.

(1) In 2014, Code Enforcement and Animal Care & Control were consolidated with the Building Department to build efficiencies. Prior to 2014, these expenses were included in the general government activities.

(2) In 2015, Emergency Medical Services was reclassified to an enterprise fund.

Source : City of South Bend Comprehensive Annual Financial Reports

Fund Balances - Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Prior to adoption of GASB 54:										
Reserved	\$ 1,824,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved and undesignated	26,912,688	-	-	-	-	-	-	-	-	-
Subsequent to adoption of GASB 54:										
Nonspendable	-	1,115,025	958,341	656,848	558,304	491,665	494,730	447,003	425,680	-
Restricted	-	327,267	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	255,287	165,389	516,506	-	466,088	1,380,036	1,242,770	820,914	820,834
Unassigned	-	26,233,637	27,671,353	26,495,559	27,029,101	29,664,303	32,077,856	33,776,487	37,383,206	42,478,766
Total general fund	<u>28,737,142</u>	<u>27,931,216</u>	<u>28,795,083</u>	<u>27,668,913</u>	<u>27,587,405</u>	<u>30,622,056</u>	<u>33,952,622</u>	<u>35,466,260</u>	<u>38,629,800</u>	<u>43,299,600</u>
All other governmental funds:										
Prior to adoption of GASB 54:										
Reserved	62,230,229	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	31,996,398	-	-	-	-	-	-	-	-	-
Capital projects funds	85,237,947	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Subsequent to adoption of GASB 54:										
Nonspendable	-	37,036,839	37,706,861	22,828,476	20,537,450	27,042,236	23,566,267	21,927,221	22,322	15,686
Restricted	-	44,754,037	78,326,567	95,387,879	100,501,274	113,004,506	101,826,640	125,302,667	152,809,121	119,218,398
Committed	-	11,829,074	11,142,045	20,697,026	12,962,745	2,238,475	2,698,694	2,392,685	3,209,500	4,495,457
Assigned	-	77,460,284	35,180,652	35,455,190	35,147,874	32,138,059	31,998,790	32,769,201	38,707,987	42,474,803
Unassigned	-	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)	(4,218,596)	(2,301,793)	(626,846)	-	(57,852)
Total all other governmental funds	<u>179,464,574</u>	<u>168,302,860</u>	<u>158,137,059</u>	<u>169,516,402</u>	<u>163,448,514</u>	<u>170,204,680</u>	<u>157,788,598</u>	<u>181,764,928</u>	<u>194,748,930</u>	<u>166,146,492</u>
Total of all governmental funds	<u>\$ 208,201,716</u>	<u>\$ 196,234,076</u>	<u>\$ 186,932,142</u>	<u>\$ 197,185,315</u>	<u>\$ 191,035,919</u>	<u>\$ 200,826,736</u>	<u>\$ 191,741,220</u>	<u>\$ 217,231,188</u>	<u>\$ 233,378,730</u>	<u>\$ 209,446,092</u>

Source: City of South Bend Comprehensive Annual Financial Reports

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue										
Taxes	\$ 101,785,765	\$ 99,001,213	\$ 95,136,206	\$ 94,829,947	\$ 93,632,183	\$ 96,033,296	\$ 107,861,553	\$ 106,746,367	\$ 113,683,864	\$ 117,943,632
Licenses, fees and permits	192,397	190,943	189,714	177,019	141,565	151,923	224,677	231,260	245,956	284,048
Fines and forfeits	409,775	636,749	334,767	660,841	563,999	454,327	756,781	562,466	494,836	1,124,570
Charges for services	16,585,634	13,990,267	12,442,553	12,320,498	10,628,976	5,794,168	7,062,108	7,020,575	5,735,251	5,658,913
Intergovernmental	35,822,886	34,419,714	31,297,526	29,227,759	30,663,505	30,216,059	27,959,813	29,634,896	35,167,863	31,987,992
Investment earnings	868,023	1,050,768	1,317,443	762,270	955,376	1,253,242	1,624,527	1,687,888	3,304,646	5,136,772
Other revenues	2,677,796	3,587,518	6,660,875	13,174,140	7,904,187	8,816,811	7,179,959	9,703,304	10,523,004	16,237,450
Total revenue	158,342,276	152,877,172	147,379,084	151,152,474	144,489,791	142,719,826	152,669,418	155,586,756	169,155,420	178,373,377
Expenditures										
Current:										
General government	5,214,424	6,680,855	6,390,585	7,154,965	8,022,688	8,420,278	16,311,633	14,221,015	12,763,226	11,714,095
Public safety	62,586,177	69,612,754	67,138,414	64,041,549	66,927,250	61,889,405	64,350,281	72,010,182	75,530,051	74,695,638
Highways and streets	10,702,555	5,079,041	9,288,682	9,769,942	10,441,957	12,787,641	11,294,768	13,600,140	16,906,126	19,636,991
Public works	-	-	-	-	-	-	-	-	-	-
Health & welfare	17,408,376	9,698,611	3,543,180	8,068,458	7,309,130	11,068,013	20,894,153	15,904,306	16,597,764	26,106,656
Community & economic development	12,841,596	13,816,699	18,557,986	13,956,025	13,948,089	12,855,704	13,070,606	20,622,330	22,179,273	20,706,436
Capital outlay	21,952,522	46,691,030	39,984,127	30,748,663	29,407,934	46,553,570	27,056,295	17,035,543	23,240,519	43,200,250
Bond Issuance Costs	-	-	-	-	-	372,432	-	-	165,885	293,022
Debt service interest	7,499,683	7,186,494	6,734,305	6,113,043	5,360,219	5,392,298	4,943,021	4,514,526	5,682,429	6,002,448
Debt service principal	12,552,681	13,632,195	10,822,721	13,008,105	12,882,830	13,319,392	13,055,327	16,634,195	13,134,725	14,124,590
Total expenditures	150,758,014	172,397,679	162,460,000	152,860,750	154,300,097	172,658,733	170,976,084	174,542,237	186,199,998	216,480,126
Excess of Revenue Over Expenditures	7,584,262	(19,520,507)	(15,080,916)	(1,708,276)	(9,810,306)	(29,938,907)	(18,306,666)	(18,955,481)	(17,044,578)	(38,106,749)
Other Financing Sources (Uses)										
Proceeds from debt issuance	5,280,314	3,478,239	5,660,897	7,801,455	8,436,905	69,426,593	4,999,053	40,727,816	26,101,096	8,788,457
Premium (discount) on debt issuance	146,030	26,877	1,236,364	21,576	171,851	1,919,787	-	6,478	479,608	1,462,841
Proceeds from refunding	5,327,775	38,307,431	13,595,000	3,990,000	-	-	-	-	-	-
Payments to refunded bond escrow age	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)	-	-	-	-
Transfers in	16,314,577	22,483,564	25,368,413	26,365,239	18,478,925	31,498,681	19,541,050	29,141,285	28,197,288	27,479,435
Transfers out	(16,963,400)	(19,442,388)	(21,488,692)	(21,840,052)	(16,522,289)	(28,652,266)	(15,860,034)	(25,018,102)	(22,528,488)	(24,110,584)
Other	-	-	-	-	28,476	1,235,744	541,081	(412,028)	942,616	67,236
Total other financing sources (uses)	4,567,041	7,552,867	9,758,835	11,961,449	7,111,663	39,729,724	9,221,150	44,445,449	33,192,120	13,687,385
Special Item										
Well field contamination settlement	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 12,151,303	\$ (11,967,640)	\$ (5,322,081)	\$ 10,253,173	\$ (2,698,643)	\$ 9,790,817	\$ (9,085,516)	\$ 25,489,968	\$ 16,147,542	\$ (24,419,364)
Debt service as a percentage of noncapital expenditures	17.59%	15.42%	13.84%	12.92%	13.38%	11.27%	14.60%	11.00%	10.11%	9.30%

Excludes prior period adjustments

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

Source: City of South Bend Comprehensive Annual Financial Reports

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		
2010	40	3,108,702	-	-	n/a	2,410,711	5,519,413	3.02%
2011	39	3,342,964	-	-	n/a	2,474,034	5,816,998	5.39%
2012	40	3,201,888	-	-	n/a	2,735,212	5,937,100	2.06%
2013	37	3,730,018	-	-	n/a	2,854,527	6,584,545	10.91%
2014	39	2,548,101	-	-	n/a	2,911,596	5,459,697	-17.08%
2015	40	2,454,129	1	25,077	n/a	3,089,732	5,568,938	2.00%
2016	39	2,607,360	1	25,077	n/a	3,262,413	5,894,850	5.85%
2017	35	2,853,276	-	-	n/a	3,451,457	6,304,733	6.95%
2018	36	3,179,336	-	-	n/a	3,719,934	6,899,270	9.43%
2019	45	4,789,990	-	-	n/a	4,137,490	8,927,480	29.40%

Banks				Credit Unions			
1st Source Bank	\$	2,469,890	51.57%	Teacher's Credit Union	\$	2,935,318	70.94%
Key Bank		628,737	13.13%	Notre Dame Federal Credit Union		643,640	15.56%
Wells Fargo		782	0.02%	Community Wide Credit Union		397,209	9.60%
Others		1,690,581	35.29%	AAA Federal Credit Union		55,115	1.33%
Total	\$	<u>4,789,990</u>	100.01%	Policemen's Federal Credit Union		50,569	1.22%
				Others		55,639	1.34%
				Total	\$	<u>4,137,490</u>	99.99%

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	Per DLGF Current Tax Levy	Estimated Circuit Breaker Levy Reduction	Adjusted Current Tax Levy (County Abstract)	Current Tax Collections	Current Tax as a Percent of Adjusted Tax Levy	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as a Percent of Adjusted Tax Levy	(1) Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Adjusted Tax Levy
2009/2010	66,929,179	14,346,110	52,583,069	41,813,442	79.52%	6,380,600	48,194,042	91.65%	10,026,236	19.07%
2010/2011	68,662,101	17,692,787	50,969,314	40,876,844	80.20%	5,791,920	46,668,764	91.56%	8,165,775	16.02%
2011/2012	70,756,844	23,965,911	46,790,933	42,598,817	91.04%	5,111,380	47,710,197	101.96%	9,550,891	20.41%
2012/2013	72,696,497	27,863,156	44,833,341	38,721,788	86.37%	5,200,000	43,921,788	97.97%	11,146,473	24.86%
2013/2014	73,981,565	27,051,751	46,929,814	41,370,637	88.15%	3,134,526	44,505,163	94.83%	8,745,941	18.64%
2014/2015	76,533,090	29,728,412	46,804,678	42,097,072	89.94%	3,168,597	45,265,669	96.71%	8,200,000	17.52%
2015/2016	78,503,658	29,601,193	48,902,465	43,806,020	89.58%	3,900,000	47,706,020	97.55%	7,468,597	15.27%
2016/2017	81,487,640	31,615,462	49,872,178	45,605,926	91.45%	3,432,704	49,038,630	98.33%	12,106,873	24.28%
2017/2018	85,426,389	33,910,221	51,516,168	45,631,337	88.58%	5,867,517	51,498,854	99.97%	12,106,873	23.50%
2018/2019	88,747,340	35,874,959	52,872,381	51,587,619	97.57%	3,882,939	55,470,558	104.91%	12,106,873	22.90%

Data provided for General Fund, Parks & Recreation, Cumulative Capital Development, Fire Pension and Police Pension Funds. Excludes College Football Hall of Fame and Tax Increment Financing Funds.

Delinquent tax collections are not broken out by individual taxing unit. A calculation of South Bend's share of delinquent taxes has been made based on proportionate tax rates.

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

(1) Outstanding Delinquent Taxes are reported in the aggregate as of the end of each year and are not cumulative. Estimated for 2017/2018.

Source - St. Joseph County Auditor's Settlement Worksheets and Abstract. City of South Bend budget forms approved by the Department of Local Government Finance (DLGF).

Direct and Overlapping Property Tax Rates

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

Tax Year/ Collection Year	City Direct Rates							Overlapping Rates (3)					
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Park Bond	Cumulative Capital Develop ment	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)	Total Overlappi ng
2009/2010 (2)	2.2536	0.4401	-	-	-	0.0342	2.7279	0.5866	1.0728	0.0406	0.2657	0.1835	2.1492
2010/2011	2.4381	0.4818	-	-	-	0.0342	2.9541	0.5424	1.2211	0.0438	0.3027	0.1958	2.3058
2011/2012	2.4954	0.4957	-	-	-	0.0328	3.0239	0.6212	1.1931	0.0464	0.2941	0.1817	2.3365
2012/2013	2.5678	0.5102	-	-	-	0.0328	3.1108	0.6731	1.3493	0.0453	0.3227	0.1971	2.5875
2013/2014	2.7977	0.5608	-	-	-	0.0328	3.3913	0.7058	1.3577	0.0505	0.3309	0.1849	2.6298
2014/2015	2.8313	0.5676	-	-	-	0.0325	3.4314	0.6866	1.2940	0.0500	0.3207	0.2125	2.5638
2015/2016	2.8703	0.5754	-	-	-	0.0321	3.4778	0.6974	1.2682	0.0512	0.3549	0.2224	2.5941
2016/2017	2.8382	0.6473	-	-	-	0.0313	3.5168	0.6950	1.2049	-	0.3372	0.1822	2.4193
2017/2018	2.8267	0.6651	-	-	0.0293	0.0303	3.5514	0.6908	1.1685	-	0.3309	0.1907	2.3809
2018/2019	2.8140	0.6621	-	-	0.0461	0.0300	3.5522	0.6589	1.1184	0.0522	0.3278	0.1853	2.3426

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

(2) Firefighters' Pension and Police Pension are no longer a tax burden for the City of South Bend as the State of Indiana has assumed responsibility for funding these programs.

(3) Information provided for Portage Township in the City of South Bend. Property tax rates applied to net assessed valuation. Property tax billings are also subject to "circuit breaker" property tax caps on grossed assessed valuation of 1% (homestead residential property), 2% (other residential/rental property), and 3% (nonresidential real and personal property). Therefore, an increase in stated property tax rates will not result in higher property taxes paid for many taxpayers who have reached their cap.

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

Detail of Net Assessed Valuation

(Assessment For the Year 2018 Payable in 2019)

	South Bend Centre Twp	South Bend Clay Twp	South Bend German Twp	South Bend Penn Twp	South Bend Warren Twp	South Bend Portage Twp	Totals	Percent
Value of land	\$ 133,627,700	\$ 29,345,300	\$ 87,310,000	\$ 17,755,800	\$ 988,300	\$ 462,305,695	\$ 731,332,795	
Value of improvements	552,408,800	124,753,100	493,764,800	106,732,400	23,230,200	3,082,022,405	4,382,911,705	
Total value of real estate	686,036,500	154,098,400	581,074,800	124,488,200	24,218,500	3,544,328,100	5,114,244,500	
Less: Mortgage, veterans, blind, age 65 & other exemptions	(269,890,296)	(36,751,464)	(146,959,730)	(40,025,371)	-	(1,145,421,608)	(1,639,048,469)	
Tax-exempt property	(49,268,960)	(9,639,804)	(28,537,560)	(9,165,100)	-	(368,047,489)	(464,658,913)	
Investment Deduction	-	-	-	-	-	-	-	
Tax increment financing	(58,635,469)	(1,113,400)	(273,372,052)	-	(24,218,500)	(518,775,783)	(876,115,204)	
Tax abatements	-	-	-	-	-	-	-	
Net value of real estate	308,241,775	106,593,732	132,205,458	75,297,729	-	1,512,083,220	2,134,421,914	77.03%
Gross personal property assessments	34,049,440	9,233,810	209,492,510	3,977,590	8,571,780	381,596,464	646,921,594	
Less: Deductions	(2,867,889)	(127,800)	(19,006,952)	(2,374,490)	-	(107,864,476)	(132,241,607)	
Tax increment financing	-	-	-	-	-	-	-	
Net value of personal property	31,181,551	9,106,010	190,485,558	1,603,100	8,571,780	273,731,988	514,679,987	18.57%
Net value of utilities	20,972,190	7,053,000	25,724,410	1,192,960	114,200	66,778,020	121,834,780	4.40%
Total net assessed valuation	\$ 360,395,516	\$ 122,752,742	\$ 348,415,426	\$ 78,093,789	\$ 8,685,980	\$ 1,852,593,228	\$ 2,770,936,681	100.00%
Percentage of Total	13.01%	4.43%	12.57%	2.82%	0.31%	66.86%	100.00%	

Summary:

	Real Property	Personal Property/Utilities	Total	Percent
Total value	\$ 5,114,244,500	\$ 768,756,374	\$ 5,883,000,874	100.00%
Deductions & exemptions	(1,639,048,469)	(132,241,607)	(1,771,290,076)	-30.11%
Tax exempt property	(464,658,913)	-	(464,658,913)	-7.90%
Tax increment financing	(876,115,204)	-	(876,115,204)	-14.89%
Tax abatements	-	-	-	0.00%
Total net assessed valuation	\$ 2,134,421,914	\$ 636,514,767	\$ 2,770,936,681	47.10%
Percent	77.03%	22.97%	100.00%	

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

* Note: 2019 County Abstract detailed breakdown not available - deductions for personal property assessments aggregated under less: deductions

Note:

2019 County Abstract report is a summary - no breakdown

Business Personal Property Deductions aggregated versus in prior years broken down

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values				Less: Non-Taxed Property (1)	Total Net Taxable Value	(2) City Tax Rate	% Taxable
	Real Property	Personal Property	Utilities Property	Total Value				
2009/2010	4,368,497,000	604,951,450	98,433,750	5,071,882,200	2,618,376,627	2,453,505,573	2.7279	48.37%
2010/2011	4,339,037,300	551,819,290	101,009,760	4,991,866,350	2,667,414,488	2,324,451,862	2.9541	46.56%
2011/2012	4,255,238,900	560,331,660	95,165,650	4,910,736,210	2,529,861,602	2,380,874,608	3.0239	48.48%
2012/2013	4,452,887,970	537,500,490	100,832,450	5,091,220,910	2,720,133,213	2,371,087,697	3.1108	46.57%
2013/2014	4,199,757,500	552,872,520	90,252,180	4,842,882,200	2,633,155,528	2,209,726,672	3.3913	45.63%
2014/2015	4,192,804,920	557,759,982	86,924,710	4,837,489,612	2,577,220,294	2,260,269,318	3.4314	46.72%
2015/2016	4,199,285,400	603,870,040	83,786,930	4,886,942,370	2,609,772,627	2,277,169,743	3.4778	46.60%
2016/2017	4,317,332,400	638,702,010	105,036,200	5,061,070,610	2,733,570,369	2,327,500,241	3.5168	45.99%
2017/2018	4,450,601,385	651,845,663	93,615,540	5,196,062,588	2,779,605,367	2,416,457,221	3.5168	46.51%
2018/2019	5,114,244,500	646,921,594	121,834,780	5,883,000,874	2,979,822,586	2,903,178,288	3.5168	49.35%

(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
2019 report is a summary - no breakdown

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
2009/2010	1,911,818,036	443,253,787	98,433,750	2,453,505,573	-8.07%
2010/2011	1,809,523,734	413,918,368	101,009,760	2,324,451,862	-5.26%
2011/2012	1,858,836,588	426,872,370	95,165,650	2,380,874,608	2.43%
2012/2013	1,858,213,181	412,042,066	100,832,450	2,371,087,697	-0.41%
2013/2014	1,687,672,152	431,802,340	90,252,180	2,209,726,672	-6.81%
2014/2015	1,753,122,893	420,221,715	86,924,710	2,260,269,318	2.29%
2015/2016	1,737,036,616	456,346,197	83,786,930	2,277,169,743	0.75%
2016/2017	1,758,787,301	463,676,740	105,036,200	2,327,500,241	2.21%
2017/2018	1,831,929,349	490,912,332	93,615,540	2,416,457,221	6.12%
2018/2019	2,134,421,914	514,679,987	121,834,780	2,770,936,681	14.67%

Source: St. Joseph County Auditor's office
2019 report is a summary - no breakdown

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
2009/2010	5,071,882,200	(1,344,563,829)	(449,848,037)	(707,096,696)	(116,868,065)	2,453,505,573
2010/2011	4,991,866,350	(1,353,769,271)	(439,343,852)	(777,038,302)	(97,263,063)	2,324,451,862
2011/2012	4,910,736,210	(1,331,068,608)	(417,907,225)	(702,724,247)	(78,161,522)	2,380,874,608
2012/2013	5,091,220,910	(1,397,134,910)	(488,961,977)	(761,349,489)	(72,686,837)	2,371,087,697
2013/2014	4,842,882,200	(1,344,702,776)	(512,692,590)	(713,448,152)	(62,312,010)	2,209,726,672
2014/2015	4,837,489,612	(1,292,923,103)	(510,555,188)	(707,010,507)	(66,731,496)	2,260,269,318
2015/2016	4,886,942,370	(1,305,921,190)	(521,555,123)	(718,066,149)	(64,230,165)	2,277,169,743
2016/2017	5,061,070,610	(1,334,844,637)	(559,770,989)	(743,657,399)	(95,297,344)	2,327,500,241
2017/2018	5,196,062,588	(1,380,253,759)	(553,925,635)	(747,216,581)	(98,209,392)	2,416,457,221
2018/2019	5,883,000,874	(1,771,290,076)	(464,658,913)	(876,115,204)	-	2,770,936,681

* Note: Tax Abatement included in aggregated Deductions as 2019 County Abstract detailed information was not available

(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	2015/2016	2016/2017	2017/2018	2018/2019
Homestead Standard Deduction	\$ 820,420,116	\$ 828,638,094	\$ 842,461,563	n/a
Supplemental Standard Deduction	375,610,821	400,306,547	435,967,478	n/a
Mortgage Deduction	42,985,922	40,717,260	40,183,948	n/a
Veteran's Deduction	11,784,608	11,986,495	12,815,878	n/a
Age 65 and Over Deduction	24,608,600	23,876,138	23,373,704	n/a
Energy Systems Deduction	388,200	396,600	421,500	n/a
Blind & Disabled Deduction	5,643,351	5,646,155	5,567,847	n/a
Fertilizer/Pesticide Deduction	-	114,555		n/a
Heritage Barn Deduction	-	10,000	23,900	n/a
Investment Deduction	24,479,572	23,152,793	19,437,941	n/a
Total	\$ 1,305,921,190	\$ 1,334,844,637	\$ 1,380,253,759	\$ 1,771,290,076

Source: St. Joseph County Auditor's Office Abstract

* Note: Tax Abatement included in aggregated Deductions as 2019 County Abstract detailed information not available
2019 report is a summary - no breakdown

Property Tax Collections - Cash Basis

Last Ten Fiscal Years

Fund Name	Fund Number	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
General Fund	101	\$ 38,780,847	\$ 38,514,550	\$ 39,368,431	\$36,251,397	\$36,708,989	\$37,349,387	\$39,362,139	\$39,568,076	\$40,719,333	\$ 42,705,987
Excess Levy	103	-	-	-	-	3,648	-	-	-	-	-
Parks & Recreation	201	7,591,932	7,613,760	7,824,056	7,207,060	7,365,388	7,487,554	7,902,995	9,033,731	9,591,899	10,048,047
Redevelopment Bonds Studebaker Corridor	310	-	-	-	-	-	-	-	-	-	-
Park Bond (2017ParksBond Debt Service)	312	-	-	-	-	-	-	-	-	703,118	1,166,972
College Football Hall of Fame Debt Service	313	1,488,453	1,549,954	1,133,205	1,268,179	497,768	906,263	1,361,512	820,071	426,604	-
River West TIF District (1)	324	21,508,430	11,187,768	11,631,287	13,340,354	14,284,734	16,293,240	18,159,311	17,259,902	18,662,835	18,555,308
Cumulative Capital Development	406	587,063	540,454	517,710	463,331	430,786	428,727	440,887	436,823	436,677	455,002
South Bend Central Development Area TIF (1)	420	7,336,117	3,633,473	3,671,478	2,590,808	4,309,727	-	-	-	-	-
West Washington Street TIF District	422	860,049	431,085	422,715	493,608	580,987	402,911	453,503	378,994	332,220	261,830
Central Medical Service Area TIF District (1)	426	3,524,962	1,704,238	1,606,915	1,221,676	851,211	-	-	-	-	-
River East (Northeast) TIF District	429	195,400	715,063	1,351,048	841,627	1,568,240	2,421,308	2,348,608	2,630,887	3,062,820	2,722,642
Southside Development Area TIF District	430	4,094,135	1,808,952	2,466,203	2,404,416	2,379,212	2,205,822	2,401,252	2,365,692	2,166,637	1,755,231
Erskine Commons TIF District (5)	431	5,978,592	784,373	-	-	-	-	-	-	-	-
Erskine Village TIF District	432	3,759,287	1,603,182	-	1,311,129	9,175	19,183	-	-	-	-
Douglas Road TIF District	435	460,760	306,053	285,713	323,939	321,895	270,758	345,262	379,255	-	-
River East (Northeast) Residential TIF	436	1,815,829	2,446,103	2,514,048	2,262,765	2,725,909	3,129,681	3,932,947	4,262,917	4,686,651	4,933,558
Airport Urban Enterprise	454	301,430	123,165	111,721	-	-	-	-	-	-	-
Fire Department Employees Pension (4)	701	(5,867)	-	-	-	-	-	-	-	-	-
Police Department Employees Pension (4)	702	(9,479)	-	-	-	-	-	-	-	-	-
Total		\$ 98,267,940	\$ 72,962,173	\$ 72,904,530	\$69,980,289	\$72,037,669	\$70,914,834	\$76,708,415	\$77,136,348	\$80,788,794	\$ 82,604,579

- (1) Name changed in 2015 from TIF Airport to River West TIF due to consolidation of Central Development Area and Central Medical TIFs.
- (2) Delays in sending out property tax bills until December 19, 2008 (with an on-time due date of February 20, 2009) resulted in interfund borrowing in the General Fund (101), Parks and Recreation Fund (201) and the College Football Hall of Fame Debt Service Fund (313) at year end. The remainder of property tax revenue was received during the first half of 2009 with final settlement with the St. Joseph County Auditor in July, 2009
- (3) Includes collections of 2008 taxes as noted above. Tax Increment Financing (TIF) 2009 property tax collections were received from the County Auditor on January 21, 2010.
- (4) Property tax levy for Police and Fire pension plans eliminated. Funding provided by the State of Indiana.
- (5) Erskine Commons TIF District funds were released and outstanding bonds were paid off.

Source - City of South Bend Accounting Records

2019 Circuit Breaker Property Tax Cap Credits

December 31, 2019

Selected Benchmark Local Governments:

Local Unit	Total Credits	2010 Population	Per Capita Credits
South Bend Civil City	\$ 35,874,959	101,168	\$ 355
Anderson Civil City	13,595,474	56,120	242
East Chicago Civil City	5,409,251	29,698	182
Elkhart Civil City	9,441,098	50,949	185
Evansville Civil City	14,120,353	117,429	120
Fort Wayne Civil City	18,165,506	253,691	72
Gary Civil City	41,491,169	80,294	517
Goshen Civil City	2,694,868	31,719	85
Hammond Civil City	9,319,816	80,830	115
Jeffersonville Civil City	5,174,836	44,953	115
Kokomo Civil City	10,172,217	45,468	224
Lafayette Civil City	2,372,491	61,140	39
LaPorte Civil City	2,997,346	22,053	136
Mishawka Civil City	5,847,754	48,252	121
Muncie Civil City	16,726,660	70,085	239
Noblesville Civil City	4,374,702	51,969	84
Saint Joseph County	8,838,939	266,931	33
South Bend School Corporation	7,596,680	101,168	75
Terre Haute Civil City	228,307	60,785	4

Note: 2019 County Abstract Detailed Information not available

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local governmental units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Sources - Circuit Breaker Report. Prepared by the Legislative Services Agency, December 20, 2019 (www.iga.in.gov).
 County Property Tax Studies, Saint Joseph County, Property Tax Changes in Saint Joseph County between 2015 and 2016. Prepared by the Legislative Services Agency, October 2018. (www.iga.in.gov).
 U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>).

Principal Property Taxpayers - Current and Nine Years Ago

December 31, 2019

Taxpayer	Type of Business	2019 Net Assessed Value (1)	Rank	Percent of Total	2010 Net Assessed Value (2)	Rank	Percent of Total
University of Notre Dame	Higher Education	\$ 74,038,193	1	2.67%			0.00%
Indiana Michigan Power Company - AEP	Utility	69,407,150	2	2.50%	111,616,770	1	20.61%
Edward Rose of Indiana	Apartments and Real Estate	37,666,940	5	1.36%			0.00%
Honeywell International, Inc.	Airplane and Auto Parts	47,202,386	3	1.70%	43,553,580	2	8.04%
Federal-Mogul Powertrain Systems	Automotive Parts	33,843,490	6	1.22%	22,691,030	4	4.19%
Steel Warehouse Co., Inc. / Lock Joint Tube LLC	Steel Processing	38,850,661	4	1.40%			
Comcast	Telecommunications			0.00%	21,286,680	5	3.93%
Indiana Bell - AT&T Inc.	Telecommunications	28,736,650	7	1.04%	34,275,700	3	6.33%
JVE Investments LLC / The Tire Rack, Inc.	Telecommunications	26,081,890	8	0.94%			
Eddy Property Development, Inc. / South Bend Clinic L	Health Care	24,186,390	9				
Wal Mart	Retail Store	19,453,080	10				0.00%
Meijer	Retail Store	-			8,359,880	10	1.54%
United Parcel Service	Parcel Delivery	-			12,085,550	6	2.23%
New Energy Corporation	Ethanol Plant	-			10,685,990	7	1.97%
Robert Bosch Corporation	Automotive Supplier	-			10,680,020	8	1.97%
South Bend Tribune Company	Newspaper Publishing	-			8,378,600	9	1.55%
Total Net Assessed Value - Ten Largest Taxpayers		<u>\$ 399,466,830</u>		12.84%	<u>\$ 283,613,800</u>		52.36%
Total Net Assessed Value (3)		<u>\$ 2,770,936,681</u>		100.00%	<u>\$ 541,687,537</u>		100.00%

Source:

- (1) Crowe Horwath LLP
- (2) 2009 Comprehensive Annual Financial Report
- (3) St. Joseph County Auditor
- (3) St. Joseph County Auditor

Local Income Tax Revenue

Last Ten Years

Distribution Year	EDIT (1) Tax Rate	Total Est County EDIT Collections	Rate of Growth	South Bend EDIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2010	(2) 0.40%	22,789,919	90.89%	8,321,633	80.41%	36.51%	9,090,415
2011	(3) 0.40%	18,826,685	-17.39%	7,300,866	-12.27%	38.78%	7,300,866
2012	(4) 0.40%	17,649,256	-6.25%	8,324,626	14.02%	47.17%	9,068,785
2013	0.40%	20,611,415	16.78%	8,177,352	-1.77%	39.67%	8,177,352
2014	0.40%	22,063,091	7.04%	8,796,821	7.58%	39.87%	8,796,821
2015	0.40%	23,081,049	4.61%	9,181,206	4.37%	39.78%	9,181,206
2016	0.40%	23,733,626	2.83%	9,594,602	4.50%	40.43%	9,594,602
2017	0.40%	26,149,949	10.18%	10,600,122	10.48%	40.54%	10,600,122
2018	(5) 0.40%	26,745,547	2.28%	11,885,489	12.13%	44.44%	11,885,489
2019	0.40%	<u>28,586,914</u>	6.88%	<u>11,831,812</u>	-0.45%	41.39%	<u>11,831,812</u>
Total		<u>\$230,237,451</u>		<u>\$94,014,529</u>		40.83%	<u>\$ 95,527,470</u>

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

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

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

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

(5) The City's 2018 CEDIT distribution included \$1,164,530 of Supplemental and One Time distributions.

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

Local Income Tax Revenue

Last Ten Years

Distribution Year	County Option Income Tax (COIT) Revenue							Actual City Collections During Year
	COIT Tax Rate (1)	Total County COIT Distributions	Rate of Growth	South Bend COIT Distribution	Rate of Growth	South Bend as a Percent of Total		
2010	0.60%	25,147,806	-6.77%	\$ 7,855,776	-12.25%	31.24%	7,648,824	
2011	(2) 0.60%	19,907,430	-20.84%	6,458,586	-17.79%	32.44%	7,097,462	
2012	(3) 0.60%	22,536,457	13.21%	7,691,991	19.10%	34.13%	8,610,742	
2013	0.60%	22,923,958	1.72%	7,846,939	2.01%	34.23%	7,846,939	
2014	0.60%	25,275,541	10.26%	8,645,811	10.18%	34.21%	8,645,811	
2015	0.60%	26,435,155	4.59%	8,859,912	2.48%	33.52%	8,859,912	
2016	0.60%	27,898,910	5.54%	9,454,023	6.71%	33.89%	9,454,023	
2017	0.60%	31,321,416	12.27%	10,459,265	10.63%	33.39%	10,459,265	
2018	(4) 0.60%	31,947,819	2.00%	12,188,922	16.54%	38.15%	12,188,922	
2019	0.60%	<u>35,539,674</u>	11.24%	<u>12,148,294</u>	-0.33%	34.18%	<u>12,148,294</u>	
Total		<u>\$ 268,934,166</u>		<u>\$91,609,519</u>		34.06%	<u>\$ 92,960,194</u>	

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

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

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

(4) The City's 2018 COIT distribution included Supplemental and One Distributions totaling \$1,433,440.

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

Local Income Tax Revenue

Last Ten Years

Public Safety Local Option Income Tax (PS LOIT) Revenue

Distribution Year	PS LOIT Tax Rate	Total County LOIT Distributions	Rate of Growth	South Bend LOIT Distribution	Rate of Growth	South Bend as a Percent of Total	Actual City Collections During Year
2010	(1) 0.25%	\$ 13,846,267	100.00%	\$ 6,078,454	100.00%	43.90%	\$ 6,078,454
2011	(2) 0.25%	11,371,882	-17.87%	5,293,619	-12.91%	46.55%	5,293,619
2012	(3) 0.25%	10,644,975	-6.39%	6,056,334	14.41%	56.89%	6,605,601
2013	0.25%	12,457,864	17.03%	5,892,356	-2.71%	47.30%	5,892,386
2014	0.25%	13,476,753	8.18%	6,380,029	8.28%	47.34%	6,380,029
2015	0.25%	13,734,382	1.91%	6,466,190	1.35%	47.08%	6,466,190
2016	0.25%	14,237,777	3.67%	6,791,160	5.03%	47.70%	6,791,160
2017	0.25%	15,673,247	10.08%	7,467,618	9.96%	47.65%	7,467,618
2018	(4) 0.25%	15,986,699	2.00%	8,487,336	13.66%	53.09%	8,487,336
2019	0.25%	17,784,064	11.24%	8,560,555	0.86%	48.14%	8,560,555
Total		\$ 139,213,910		\$67,473,651		48.47%	\$ 68,022,948

(1) This tax was effective in October 2009 at the rate of 0.25% of City residents' adjusted gross income.

The measure is being used to support the Public Safety operations consisting of the Police Department and the Fire Department, to keep the staffing levels at their full complement.

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

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

(4) The City's 2018 LOIT distribution included Supplemental and One Time distributions of \$857,797.

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

Unit of Government	2010	2011	2012	2013
Total County Certified Distribution	\$33,231,041	\$27,292,516	\$ 29,898,874	\$29,898,874
Less: Homestead Credit (1)	(8,083,235)	(7,385,086)	(7,362,417)	(6,974,918)
Total Distributive Shares	\$25,147,806	\$19,907,430	\$ 22,536,457	\$22,923,956
Distributive Shares/Total County Distributor	75.68%	72.94%	75.38%	76.67%
Amount				
St. Joseph County	\$ 9,819,576	\$ 7,383,180	\$ 7,986,750	\$ 8,460,192
Townships	1,168,352	1,054,827	1,244,481	954,332
City of South Bend - Civil City	7,677,730	6,304,224	7,511,976	7,711,609
City of South Bend - Redevelopment	178,046	154,363	184,790	135,330
Other Cities & Towns	3,462,786	2,667,400	3,077,335	3,137,086
Libraries	2,042,942	1,762,365	1,879,376	1,849,933
Special Districts	798,374	581,071	651,749	675,474
Total	\$25,147,806	\$19,907,430	\$ 22,536,457	\$22,923,956
Percentage of Distribution				
St. Joseph County	39.05%	37.09%	35.44%	36.91%
Townships	4.65%	5.30%	5.52%	4.16%
City of South Bend - Civil City	30.53%	31.67%	33.33%	33.64%
City of South Bend - Redevelopment	0.71%	0.78%	0.82%	0.59%
Other Cities & Towns	13.77%	13.40%	13.65%	13.68%
Libraries	8.12%	8.85%	8.34%	8.07%
Special Districts	3.17%	2.91%	2.90%	2.95%
Total	100.00%	100.00%	100.00%	100.00%

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

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

County Income Tax Distributions by Taxing Unit

Last Ten Years

2014	2015	2016	2017	2018	2019
\$32,344,207	\$32,962,518	\$34,170,664	\$37,640,869	\$38,393,656	\$42,710,208
<u>(7,068,666)</u>	<u>(6,527,363)</u>	<u>(6,271,754)</u>	<u>(6,319,453)</u>	<u>(6,445,837)</u>	<u>(7,170,534)</u>
<u>\$25,275,541</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>
78.15%	80.20%	81.65%	83.21%	83.21%	83.21%
\$ 9,314,201	\$ 9,611,416	\$ 9,983,016	\$10,908,099	11,290,728	12,351,986
1,069,408	1,541,211	1,695,662	2,396,851	1,978,069	3,506,429
8,483,839	8,754,940	9,275,956	10,267,284	10,781,364	12,148,294
161,972	104,972	178,067	191,981	124,929	70,356
3,378,481	3,508,422	3,683,131	4,118,009	4,317,405	4,868,878
2,126,185	2,144,046	2,279,241	2,541,672	2,569,360	2,889,567
<u>741,455</u>	<u>770,148</u>	<u>803,837</u>	<u>897,520</u>	<u>885,964</u>	<u>1,054,424</u>
<u>\$25,275,541</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>
36.85%	36.36%	35.78%	34.83%	35.34%	33.48%
4.23%	5.83%	6.08%	7.65%	6.19%	9.51%
33.57%	33.12%	33.25%	32.78%	33.75%	32.93%
0.64%	0.40%	0.64%	0.61%	0.39%	0.19%
13.37%	13.27%	13.20%	13.15%	13.51%	13.20%
8.41%	8.11%	8.17%	8.11%	8.04%	7.83%
2.93%	2.91%	2.88%	2.87%	2.77%	2.86%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

itial property owners.

Ten Largest Water Customers

December 31, 2019

Name	2019 Revenue	Percentage of Total Water Operating Revenue	Usage CCF*
South Bend Community School Corporation	197,479	0.97%	101,001
Memorial Hospital of South Bend	165,182	0.81%	101,875
Irish Hills Apartments	120,641	0.59%	69,809
Indiana University South Bend	112,197	0.55%	55,235
Housing Authority of South Bend	95,841	0.47%	42,473
Honeywell Aerospace Company	92,660	0.45%	34,524
Indian Springs Apartments and Townhomes	88,014	0.43%	47,398
Holy Cross Care Services	54,257	0.27%	36,318
McCormick & Company	53,692	0.26%	42,412
Aramark Uniform Services	52,586	0.26%	45,956
Total of Ten Largest Water Customers	<u>\$ 1,032,549</u>	5.06%	
Total for Operating Revenue for Water Works	<u>\$ 20,406,057</u>	100.00%	

*Hundreds of Cubic Feet

Source: City of South Bend Water Utility

Ten Largest Sewage Works Customers

December 31, 2019

Name	Metered Revenue	Heavy Demand Surcharge	2019 Revenue	Percentage of Total Water Sewer Revenue	Usage CCF*
I/NTEK Plant	\$ 2,146,214	\$ -	\$ 2,146,214	5.28%	745,567
University of Notre Dame	1,273,346	-	1,273,346	3.14%	504,709
Noble Americas South Bend Ethanol	1,321,908	-	1,321,908	3.25%	334,787
Memorial Hospital	428,198	-	428,198	1.05%	88,636
South Bend Community School Corp	395,539	-	395,539	0.97%	74,133
Town of New Carlisle	289,172	-	289,172	0.71%	82,468
Irish Hills Apartments	243,827	-	243,827	0.60%	60,155
Housing Authority of South Bend	235,091	-	235,091	0.58%	27,739
Alliedsignal Aerospace Co	232,509	-	232,509	0.57%	32,418
Indian Springs	226,294	-	226,294	0.56%	39,591
Total of Ten Largest Sewer Customers	\$ 6,792,098	\$ -	\$ 6,792,098	16.72%	
Total Operating Revenue for Wastewater			\$ 40,616,333		

*Hundreds of Cubic Feet

Source: City of South Bend Sewage Works Utility

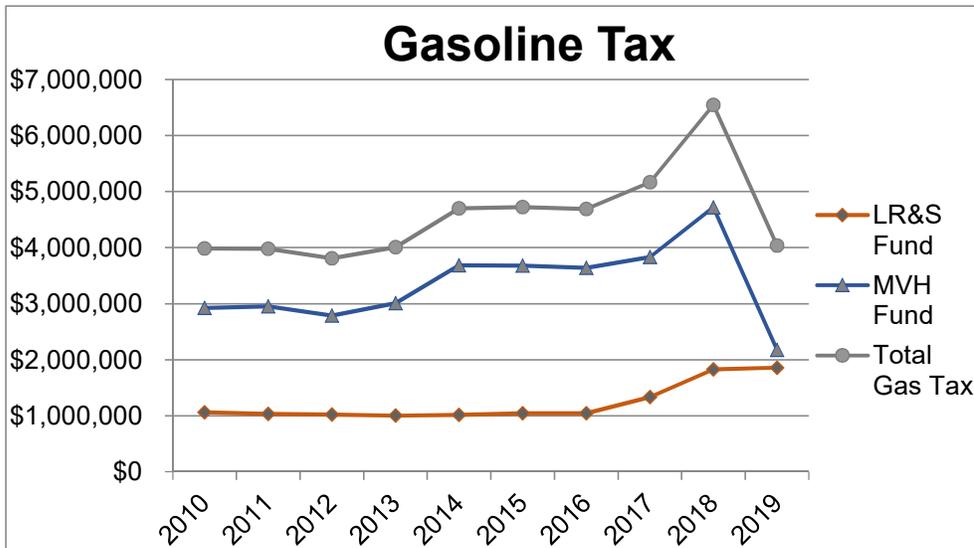
Gasoline Tax Collections - Cash Basis

Last Ten Fiscal Years
December 31, 2019

Year	LR&S Fund	MVH Fund	Total Gas Tax	% Change
2010	1,064,149	2,922,165	3,986,314	-0.33%
2011	1,030,958	2,951,072	3,982,030	-0.11%
2012	1,022,508	2,786,592	3,809,100	-4.34%
2013	1,001,871	3,006,122	4,007,993	5.22%
2014	1,017,383	3,682,329	4,699,712	17.26%
2015	1,045,516	3,679,371	4,724,887	0.54%
2016	1,046,446	3,640,561	4,687,007	-0.80%
2017	1,334,565	3,829,167	5,163,732	10.17%
2018	1,827,580	4,717,972	6,545,552	26.76%
2019	1,858,579	2,176,158	4,034,737	-38.36%

Distributions of gas tax revenue are made monthly by the Indiana Department of Revenue to the Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) funds for use in construction and maintenance of streets and highways. Distributions are based on a complex formula developed by the State of Indiana. The formula takes into account population, road and street mileage and other factors. Gas tax revenue was declining in prior years due to the economy and more fuel efficient vehicles, however, due to an improvement in the economy and temporary increase in state funding for two years, total gas tax increased in 2014. Gas tax remained consistent in 2016. Legislation passed by the Indiana General Assembly in 2017 to increase gas tax caused large increase seen in 2018.

Source: City Accounting Records



City of South Bend, Indiana

Wheel and Excise Surtax Collections

Cash Basis

Last Ten Years

Year	2019 Wheel Tax	% Change
2010	1,975,397	4.30%
2011	1,863,283	-5.68%
2012	1,795,538	-3.64%
2013	2,045,213	13.91%
2014	1,637,707	-19.92%
2015	2,135,441	30.39%
2016	2,006,547	-6.04%
2017	2,211,731	10.23%
2018	2,152,758	-2.67%
2019	2,065,786	-4.04%

Effective January 1, 2004, St. Joseph County enacted a wheel tax and annual license excise surtax as allowed by Indiana State law to provide additional funding for road maintenance and repair. Indiana State law allows an annual wheel tax of \$5-40 per vehicle and an annual license excise surtax of 2-10%. St. Joseph County has enacted a \$25 County Excise surtax. The tax applies to all passenger cars, trucks less than 11,000 pounds, buses, tractors and motorcycles registered in the County. (Other rates apply to recreational vehicles, semitrailers and trucks exceeding 11,000 pounds.) The tax is collected by the Indiana Bureau of Motor Vehicles, remitted to the County and distributed monthly to the local units based on population and road miles.

Increase in the 2015 wheel tax due to 13 months of taxes being collected during the year (September 2014 - September 2015). Prior year tax collections were several months behind.

Source: City of South Bend Accounting Records

Hotel/Motel Tax Revenue - Cash Basis - City Distributions

Last Ten Fiscal Years

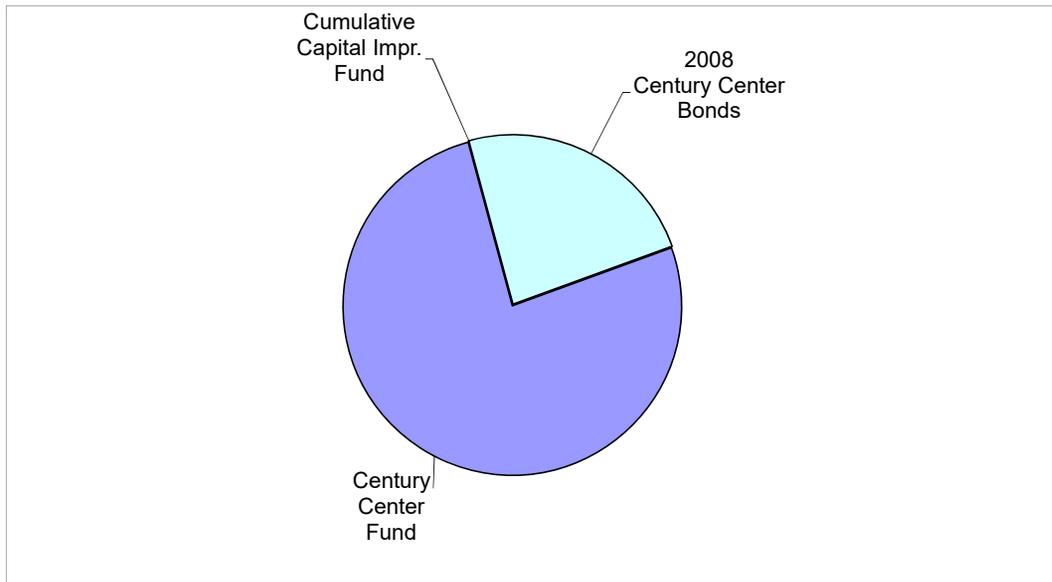
Year	-----Paid to City of South Bend-----					-----Direct Payments-----					Total Hotel/ Motel Tax	%
	Century Center Fund	Professional Sports Develop. Fund	Cumulative Capital Impr. Fund	2008 Century Center Bonds	Century Center Energy Debt Serv	Subtotal: of South Bend	1992 Century Center Bonds	2008 Century Center Bonds	Other Century Center Projects			
2009	1,347,651	530,137	150,000	-	-	2,027,788	-	198,500	265,258	2,491,546	-24.22%	
2010	1,313,152	521,800	150,000	399,000	-	2,383,952	-	-	97,000	2,480,952	-0.43%	
2011	1,313,436	494,325	150,000	400,000	-	2,357,761	-	-	-	2,357,761	-4.97%	
2012	1,313,436	489,152	150,000	398,000	-	2,350,588	-	-	-	2,350,588	-0.30%	
2013	1,313,436	-	150,000	398,500	-	1,861,936	-	-	-	1,861,936	-20.79%	
2014	1,313,450	-	150,000	400,000	-	1,863,450	-	-	457,739	2,321,189	24.67%	
2015	1,313,450	-	150,000	492,000	-	1,955,450	-	-	976,855	2,932,305	26.33%	
2016	1,313,450	-	150,000	396,000	-	1,859,450	-	-	713,601	2,573,051	-12.25%	
2017	1,275,000	-	150,000	394,000	-	1,819,000	-	-	546,965	2,365,965	-8.05%	
2018	1,275,000	-	-	395,000	221,437	1,891,437	-	-	687,192	2,578,629	8.99%	
2019	1,275,000	-	-	396,500	221,437	1,892,937	-	-	1,292,506	3,185,443	23.53%	

The hotel/motel tax was enacted in 1973 and the current tax rate is 6%. The tax is accounted for in a fund of the Saint Joseph County government and is administered by the 11 member Saint Joseph County Board of Managers for Hotel-Motel Tax. Appointments to the Board of Managers are made by the Mayors of South Bend and Mishawaka and the Saint Joseph County Commissioners.

Proceeds from the hotel/motel tax fund are budgeted and distributed annually to important economic development and tourism projects in the County. South Bend receives distributions for the operations, maintenance and debt service of Century Center (convention center), the Cumulative Capital Development Fund (used for repayment of 1994 Century Center Bonds), repayment of a 2008 Century Center Bond and other capital projects. Hotel/Motel tax will also be used to pay the 2015 Energy Conservation Bond which was issued by the City for the energy improvements made at the Century Center in 2015.

The hotel/motel tax fund also supports other activities not included in the City of South Bend's financial statements such as the South Bend/Mishawaka Convention and Visitors Bureau. The total distribution of hotel/motel tax during 2017 to all organizations was \$4,416,002. The cash balance in the County Hotel/Motel Tax Fund was \$5,453,192 at December 31, 2017.

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



Professional Sports Development (PSDA) Tax - Cash Basis

Last Ten Fiscal Years

Year	Total PSDA Tax	% Change
2009	617,304	55.54%
2010	640,760	3.80%
2011	409,020	-36.17%
2012	721,763	76.46%
2013	597,111	-17.27%
2014	551,252	-7.68%
2015	628,261	13.97%
2016	760,390	21.03%
2017	409,659	-46.13%
2018	-	0.00%
2019	-	0.00%

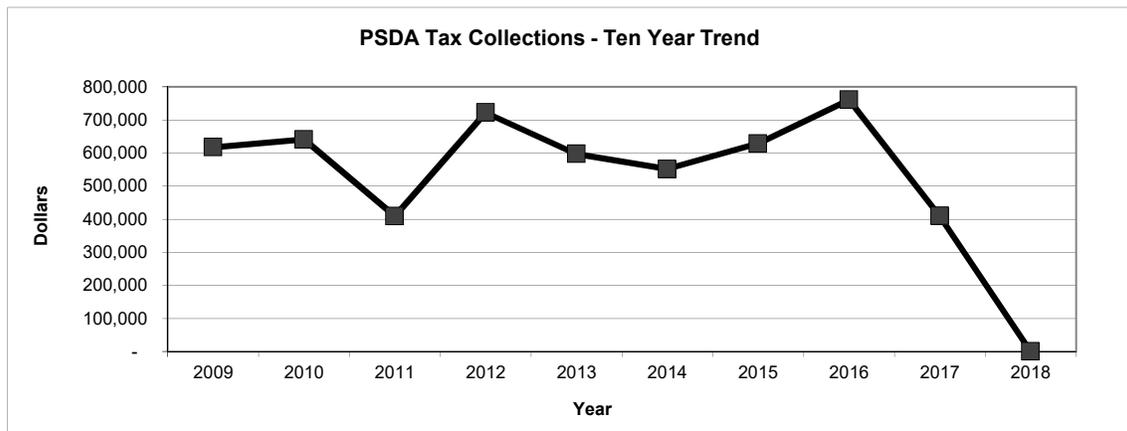
The Professional Sports Development Area (PSDA) tax is a combination of Indiana state income tax withholding, local income tax withholding and sales tax withholding from businesses and employees in South Bend's designated PSDA area, which includes the College Football Hall of Fame, Century Center, Coveleski Stadium, Morris Performing Arts Center, Palais Royale Ballroom and Studebaker National Museum. South Bend's PSDA area was formed on November 3, 1997 and expires on December 31, 2027. PSDA capture of state sales and income taxes ended in 2017. The City expects one more payment of PSDA tax to be received in 2019.

The PSDA taxes are collected by the Indiana Department of Revenue and are remitted on a monthly basis to Saint Joseph County which issues a check to the City of South Bend. There are currently four professional sports development areas in the State--South Bend, Indianapolis/Marion County, Evansville and Ft. Wayne.

PSDA tax revenue increased in 2009 primarily due to the increase in the State of Indiana sales tax rate from 6% to 7% and the increase in local option income taxes from .8% to 1.75% as a consequence of property tax reform. PSDA tax revenue decreased in 2011 due to delays in payments in amounts owed by the State until 2012. The decrease PSDA tax revenues in 2014 were due to a delay in payments from the state whereas the increase in 2015 is due to 12 months of receipts being deposited.

In prior years, PSDA tax revenue has been used to fund the College Football Hall of Fame Capital Fund. PSDA tax revenue is pledged to pay debt service on 2010 Coveleski Stadium Taxable Revenue bonds in the amount of \$4,980,000 issued on December 23, 2010. The bond proceeds were used to make certain capital improvements to the City-owned facility. The operations of the minor league baseball team (South Bend Cubs) in the stadium accounts for the majority of PSDA tax revenue earned each year.

Source: City of South Bend Accounting Records



City of South Bend, Indiana

Cable Television Franchise Fee Collections - Cash Basis

Last Ten Years

Year	Comcast	AT&T	Total Franchise Fees	% Change
2009	702,048	41,043	743,091	7.01%
2010	817,023	131,263	948,286	27.61%
2011	677,949	176,586	854,535	-9.89%
2012	691,586	192,621	884,207	3.47%
2013	736,071	191,529	927,600	4.91%
2014	717,156	238,309	955,465	3.00%
2015	723,676	281,873	1,005,549	5.24%
2016	749,565	256,611	1,006,176	0.06%
2017	771,128	156,394	927,522	-7.82%
2018	714,471	226,562	941,033	1.46%
2019	707,836	132,332	840,169	-10.72%

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

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

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

Source: City of South Bend Accounting Records

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

ESTIMATED

December 31, 2019

Civil City

Net Assessed Valuation (2018 pay 2019) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Economic Development Income Tax Bonds of 2015 (Parks Bond)	(4,650,000)
Economic Development Income Tax Bonds of 2018 (Zoo Bond)	(3,340,000)
General Obligation Bonds, Series 2018 (Fire Station #9)	<u>(4,700,000)</u>
Issuance Margin	<u>\$ 5,486,894</u>
Percentage of Debt to Debt Limit	69.81%

Park District

Net Assessed Valuation (2018 pay 2019) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Park District Bonds, Series 2017 (A-K)	<u>(12,575,000)</u>
Issuance Margin	<u>\$ 5,601,894</u>
Percentage of Debt to Debt Limit	69.18%

Redevelopment District

Net Assessed Valuation (2018 pay 2019) of Taxable Property in South Bend	\$ 2,726,534,082
Debt limit: 2% of one third thereof	18,176,894
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2014	(925,000)
Redevelopment District Bonds of 2018 (TIF Parks Bond)	<u>(10,930,000)</u>
Issuance Margin	<u>\$ 6,321,894</u>
Percentage of Debt to Debt Limit	65.22%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Civil City										
Debt Limit (1)	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	9,850,000	8,910,000	7,650,000	6,335,000	4,970,000	7,270,000	5,835,000	5,190,000	13,390,000	12,690,000
Debt Margin	6,506,704	6,585,323	7,949,467	9,244,379	9,761,511	7,798,462	9,346,132	10,919,715	3,265,845	5,486,894
Percentage of Debt Limit	60.22%	57.50%	49.04%	40.66%	33.74%	48.25%	38.44%	32.22%	80.39%	69.81%
Park District										
Debt Limit (1)	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	-	-	-	-	-	-	-	14,075,000	13,725,000	12,575,000
Debt Margin	16,356,704	15,495,323	15,599,467	15,579,379	14,731,511	15,068,462	15,181,132	2,034,715	2,930,845	5,601,894
Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	87.37%	82.40%	69.18%
Redevelopment District										
Debt Limit (1)	\$16,356,704	\$15,495,323	\$15,599,467	\$15,579,379	\$14,731,511	\$15,068,462	\$15,181,132	\$16,109,715	\$16,655,845	\$18,176,894
Total Net Debt Applicable To Limit	4,715,000	4,085,000	4,085,001	3,405,000	3,010,000	2,615,000	2,210,000	1,795,000	12,955,000	11,855,000
Debt Margin	11,641,704	11,410,323	11,514,466	12,174,379	11,721,511	12,453,462	12,971,132	14,314,715	3,700,845	6,321,894
Percentage of Debt Limit	28.83%	26.36%	26.19%	21.86%	20.43%	17.35%	14.56%	11.14%	77.78%	65.22%

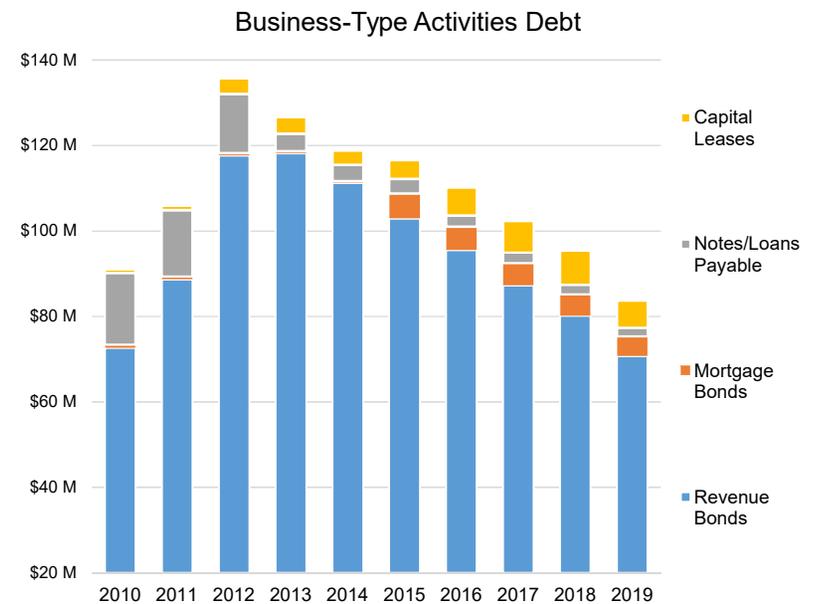
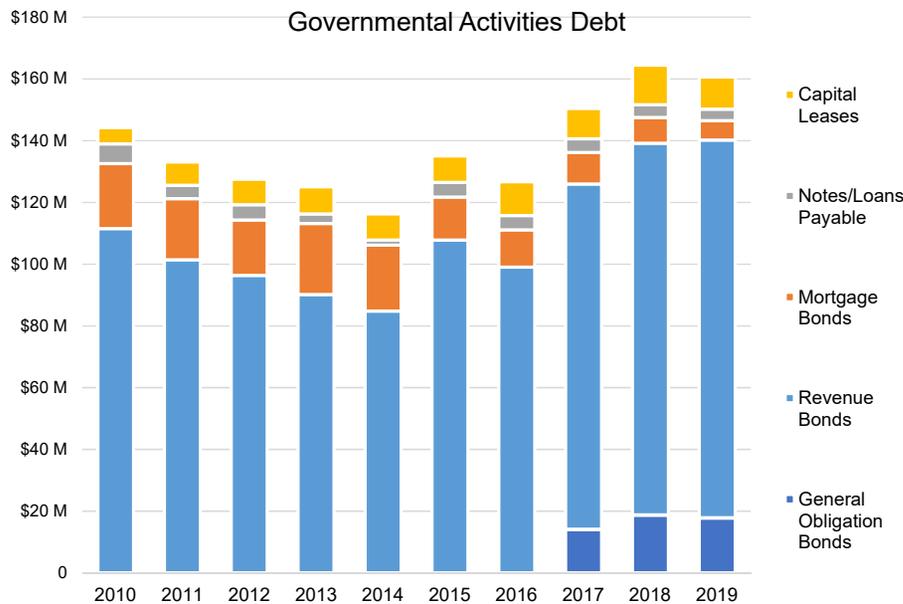
(1) A 2% of net assessed value debt limit has been established by the Constitution of the State of Indiana for certain type of debt including general obligation bonds, Economic Development Income Tax bonds and tax revenue notes. This limitation does not apply to revenue bonds payable from governmental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

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Estimated Population (1)	Debt Per Capita	South Bend Estimated Personal Income (2)	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases					
2010	-	111,510,000	21,117,295	6,323,199	5,299,341	72,655,000	717,705	16,755,369	799,402	235,177,311	101,168	2,325	3,505,572,368	6.71%
2011	-	101,472,431	19,724,490	4,431,871	7,510,749	88,655,000	660,510	15,542,372	1,077,642	239,075,065	101,168	2,363	3,371,120,096	7.09%
2012	-	96,410,000	17,883,530	4,953,639	8,336,120	117,650,000	601,470	13,848,901	3,641,362	263,325,022	101,168	2,603	3,371,120,096	7.81%
2013	-	90,172,826	23,079,781	3,030,554	8,777,238	118,121,963	546,973	4,121,010	3,831,933	251,682,278	101,168	2,488	3,371,120,096	7.47%
2014	-	84,862,512	21,331,548	1,617,491	8,481,375	111,209,874	480,604	3,794,664	3,307,802	235,085,870	101,168	2,324	3,371,120,096	6.97%
2015	-	107,815,890	13,904,973	4,831,752	8,491,407	102,871,921	5,851,565	3,458,899	4,411,042	251,637,449	101,168	2,487	3,371,120,096	7.46%
2016	-	99,040,132	12,091,550	4,647,381	10,929,075	95,477,047	5,556,865	2,582,205	6,585,123	236,909,378	101,168	2,342	3,492,622,864	6.78%
2017	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	17,795,347	122,393,330	6,314,196	3,761,150	10,422,338	70,710,436	4,636,444	2,016,089	6,300,202	244,349,532	103,869	2,352	3,585,869,487	6.81%
Percent of Total Debt	7.28%	50.09%	2.58%	1.54%	4.27%	28.94%	1.90%	0.83%	2.58%	100.00%				

Sources: City of South Bend Comprehensive Annual Financial Reports

(1) U.S. Census Bureau, 2010 Census information (<http://factfinder.census.gov/>). 2016 information not available. Census information is now found on an updated webpage (data.census.gov/cedsci/) (2020)

(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 Serurvey 5-Year Estimates (<http://factfinder.census.gov/>)



Computation of Direct and Overlapping Debt

December 31, 2019

	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						
General Obligation Bonds	\$ 17,795,347	100.00%	\$ 17,795,347			
Revenue Bonds - Governmental Activities	122,393,330	100.00%	\$ 122,393,330			
Mortgage Bonds - Governmental Activities	6,314,196	100.00%	6,314,196			
Notes Payable - Governmental Activities	3,761,150	100.00%	3,761,150			
Capital Leases - Governmental Activities	10,422,338	100.00%	<u>10,422,338</u>			
Total Direct Debt and Lease Obligation Debt			<u>160,686,361</u>	<u>\$ 1,547</u>	5.80%	4.21%
Overlapping Debt (1)						
South Bend Community School Corporation	\$ 75,854,031	53.41%	\$ 40,513,638			
South Bend Public Transport	849,482	64.07%	544,263			
St. Joseph County Public Library	18,870,000	50.06%	9,446,322			
St. Joseph County Airport Authority	8,435,000	29.14%	2,457,959			
St. Joseph County	100,222,989	29.14%	29,204,979			
St. Joseph County Solid Waste Management	395,911	29.14%	115,368			
Penn-Harris-Madison School Corporation	54,475,949	2.67%	1,454,508			
Mishawaka-Penn-Harris Public Library	1,895,000	2.20%	<u>41,690</u>			
Total Overlapping and Underlying Direct Debt and Lease Obligations			<u>83,778,727</u>	<u>\$ 807</u>	3.02%	2.20%
Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations			<u>\$ 244,465,088</u>	<u>\$ 2,354</u>	8.82%	6.41%
Ratio Factors						
Net Assessed Valuation (2017 payable 2018)	2,770,936,681					
Population - 2010 Census	103,869					
South Bend Median Household Income 2016	36,711					
Estimated South Bend Total Personal Income (2 x 3)	3,813,134,859					

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

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

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

City of South Bend, Indiana

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

**Last Ten Fiscal Years
December 31, 2019**

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service To Governmental Fund Expenditures
2010	-	-	-	150,758,014	0.00%
2011	-	-	-	172,397,679	0.00%
2012	-	-	-	162,460,000	0.00%
2013	-	-	-	152,889,475	0.00%
2014	-	-	-	154,300,097	0.00%
2015	-	-	-	172,658,733	0.00%
2016	-	-	-	170,976,084	0.00%
2017	-	-	-	174,542,237	0.00%
2018	426,149	288,967	715,116	14,124,590	5.06%
2019	942,298	562,846	1,505,144	216,480,126	0.70%

Source - City of South Bend Comprehensive Annual Financial Reports

City of South Bend, Indiana

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

Last Ten Fiscal Years

Tax Year/ Collection Year	Population (1)	Net Assessed Value	Gross General Obligation Bonded Debt	Debt Service Monies Available	Net General Obligation Bonded Debt	Percent of Net GO Bonded Debt To Net Assessed Value	Net GO Bonded Debt Per Capita
2009/2010	101,168	2,453,505,573	-	-	-	0.00%	-
2010/2011	101,168	2,324,451,862	-	-	-	0.00%	-
2011/2012	101,168	2,380,874,608	-	-	-	0.00%	-
2012/2013	101,168	2,371,087,697	-	-	-	0.00%	-
2013/2014	101,168	2,209,726,672	-	-	-	0.00%	-
2014/2015	101,168	2,260,269,318	-	-	-	0.00%	-
2015/2016	101,168	2,277,169,743	-	-	-	0.00%	-
2016/2017	101,168	2,327,500,241	18,737,645	-	18,737,645	0.81%	185
2017/2018	101,168	2,416,457,221	-	-	-	0.00%	-
2018/2019	102,026	2,770,936,681	17,795,347	-	17,795,347	0.64%	174

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

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

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

Year	Projected Hotel/Motel Tax Revenues	2011 B Century Center Refunding Bonds (1)	2013 Century Center Refunding Bonds	2015 Century Center Energy Conservation Bonds	Total Annual Debt Service	Estimated Excess Funds	Estimated Coverage
2020	4,942,869	-	396,500	280,090	676,590	4,266,279	730.56%
2021	4,992,298	-	397,000	285,614	682,614	4,309,684	731.35%
2022	5,042,221	-	396,500	291,274	687,774	4,354,447	733.12%
2023	5,092,643	-	395,000	297,175	692,175	4,400,468	735.75%
2024	5,143,570	-	394,500	303,221	697,721	4,445,849	737.20%
2025	5,195,005	-	396,000	309,315	705,315	4,489,690	736.55%
2026	5,246,955	-	283,500	315,561	599,061	4,647,894	875.86%
2027	5,299,425	-	84,500	321,964	406,464	4,892,961	1303.79%
2028	5,352,419	-	-	328,529	328,529	5,023,890	1629.21%
2029	5,405,943	-	-	335,259	335,259	5,070,684	1612.47%
2030	5,460,003	-	-	342,159	342,159	5,117,844	1595.75%
2031	5,514,603	-	-	349,334	349,334	5,165,269	1578.60%
2032	5,569,749	-	-	176,508	176,508	5,393,241	3155.52%
2033	5,625,446	-	-	-	-	5,625,446	n/a
Total	\$ 78,777,080	\$ -	\$ 3,138,500	\$ 4,098,705	\$ 7,237,205	\$ 71,539,875	

Source: Saint Joseph County Hotel/Motel Tax Board financial reports

City of South Bend Debt Schedules

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

Schedule of Revenue Bond Coverage
Water Utility Bonds

Last Ten Years

Year	Gross		Net Revenue	Debt Service Requirements			Debt Coverage
	Operating Revenue	Operating Expenses (1)	Available for Debt Service	Principal	Interest	Total	
2010	13,513,995	8,560,390	4,953,605	2,605,840	937,293	3,543,133	139.81%
2011	14,032,074	9,301,552	4,730,522	2,729,925	823,265	3,553,190	133.13%
2012	14,190,243	9,021,274	5,168,969	821,847	823,944	1,645,791	314.07%
2013	13,783,701	10,665,913	3,117,788	1,241,768	809,673	2,051,441	151.98%
2014	14,373,176	10,105,709	4,267,467	1,251,588	769,025	2,020,613	211.20%
2015	14,204,285	10,651,321	3,552,964	1,319,285	732,394	2,051,679	173.17%
2016	15,091,372	12,081,699	3,009,673	977,113	623,226	1,600,339	188.06%
2017	15,283,325	11,421,026	3,862,299	1,606,652	623,909	2,230,561	173.15%
2018	16,767,283	11,766,084	5,001,199	394,873	319,700	714,573	699.89%
2019	20,787,828	13,420,538	7,367,290	6,885,735	925,031	7,810,767	94.32%

(1) Operating expenses exclude depreciation.

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

Source - City of South Bend Comprehensive Annual Financial Report.

Schedule of Revenue Bond Coverage
Wastewater Utility Bonds

Last Ten Years

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

(1) Operating expenses exclude depreciation.

(2) Two large Sewage Works revenue bonds were issued during 2007 with principal and interests payments beginning in 2008.

These bonds are part of the City of South Bend's long term combined sewer overflow (CSO) control plan.

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

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

Source - City of South Bend Comprehensive Annual Financial Report

Municipal Sewage Works

Annual Wastewater Flow Data

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capacity (MGD)	48	48	48	48	48	48	48	48	48	48
Average Daily Flow	30.86	35.80	31.77	30.69	32.00	30.20	43.87	35.80	38.47	37.72
Peak Flow	62.00	72.50	63.70	62.50	68.50	57.70	67.80	62	71	71
Annual Flow (MG)	11,264	13,068	11,596	11,203	11,677	11,023	16,014	13,067	14,042	13,077

Number of Customers - South Bend Municipal Sewage Works

<u>Year</u>	<u>Total Number of Customers</u>
2010	38,455
2011	39,027
2012	39,068
2013	39,322
2014	39,461
2015	39,763
2016	40,073
2017	40,543
2018	40,679
2019	40,547

Source: City of South Bend Environmental Services Department

City of South Bend, Indiana

Statement of City-Owned Utility Debt

December 31, 2019

South Bend Municipal Sewage Works

Sewage Works State Revolving Fund (SRF) Loan of 2009	\$	1,748,401
Sewage Works Revenue Bonds of 2010		5,925,000
Sewage Works Revenue Bonds of 2011		14,535,000
Sewage Works Revenue Bonds of 2012		17,660,000
Sewage Works Revenue Bonds of 2013 A		3,450,000
Sewage Works Refunding Revenue Bonds of 2015		<u>17,200,000</u>
Total Sewage Utility Debt		<u>60,518,401</u>

South Bend Municipal Waterworks

Waterworks Revenue Bonds of 2009, Series A		
State Revolving Fund (SRF) Loan	\$	267,688
Waterworks Revenue Bonds of 2009, Series B		
Indiana Bond Bank		2,814,257
Waterworks Revenue Bonds of 2012		1,235,000
Waterworks Revenue Refunding Bonds of 2012, Series B		5,840,000
Waterworks Refuding Bonds of 2016		<u>2,035,000</u>
Total Water Utility Debt		<u>12,191,945</u>
Total Utility Debt	\$	<u>72,710,346</u>

Source: City of South Bend Finance Department

Estimated Debt Service Coverage Calculation of Sewage Works

December 31, 2019

Operating Revenues	\$	42,455,078
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(22,828,605)</u>
Net Revenues Available for Debt Service		19,626,473
Estimated Combined Annual Debt Service		<u>8,525,743</u>
Coverage - \$	\$	<u>11,100,730</u>
Coverage - %		230.20%

Estimated Debt Service Coverage Calculation of Water Utility

December 31, 2019

Operating Revenues	\$	20,787,828
Less: Operation and Maintenance Expenses (Net of Depreciation)		<u>(13,420,538)</u>
Net Revenues Available for Debt Service		7,367,290
Estimated Combined Maximum Annual Debt Service		<u>7,810,767</u>
Coverage - \$	\$	<u>(443,477)</u>
Coverage - %		94.32%

City of South Bend, Indiana

Projected City of South Bend COIT Revenue

**0.6% COIT Tax Rate
Levy is used to Distribute COIT**

Year of Collection	St. Joseph County Projected Distribution	Projected COIT	Projected COIT Amount Available For Debt Service
2019	\$ 35,539,674	34.18%	\$ 12,148,294
2020	36,250,467	34.18%	12,391,260
2021	36,975,477	34.18%	12,639,085
2022	37,714,986	34.18%	12,891,867
2023	38,469,286	34.18%	13,149,704
2024	39,238,672	34.18%	13,412,698
2025	40,023,445	34.18%	13,680,952
2026	40,823,914	34.18%	13,954,571
2027	41,640,392	34.18%	14,233,663
2028	42,473,200	34.18%	14,518,336
2019	43,322,664	34.18%	14,808,703
		Total	\$ 147,829,133

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

Source: Department of Local Government Finance (DLGF)

Projected City of South Bend CEDIT Revenue

**0.4% CEDIT Tax Rate
Levy is used to Distribute CEDIT**

Year of Collection	St. Joseph County Projected Distribution	Projected CEDIT	Projected CEDIT Amount Available For Debt Service
2019	28,586,914	41.39%	11,831,812
2020	29,158,652	41.39%	12,068,448
2021	29,741,825	41.39%	12,309,817
2022	30,336,662	41.39%	12,556,014
2023	30,943,395	41.39%	12,807,134
2024	31,562,263	41.39%	13,063,276
2025	32,193,508	41.39%	13,324,542
2026	32,837,378	41.39%	13,591,033
2027	33,494,126	41.39%	13,862,854
2028	34,164,008	41.39%	14,140,111
2029	34,847,289	41.39%	14,422,913
		Total	\$ 143,977,953

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

Source: Department of Local Government Finance (DLGF)

Projected City of South Bend LOIT Revenue

.25% LOIT Tax Rate

Year of Collection	St. Joseph County Projected Distribution	Projected CEDIT	Projected PS LOIT Amount Available For Debt Service
2019	\$ 17,784,064	48.14%	\$ 8,560,555
2020	18,139,745	48.14%	8,731,766
2021	18,502,540	48.14%	8,906,401
2022	18,872,591	48.14%	9,084,529
2023	19,250,043	48.14%	9,266,220
2024	19,635,044	48.14%	9,451,544
2025	20,027,745	48.14%	9,640,575
2026	20,428,299	48.14%	9,833,387
2027	20,836,865	48.14%	10,030,055
2028	21,253,603	48.14%	10,230,656
2029	21,678,675	48.14%	10,435,269
		Total	\$ 93,735,689

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

Source: Department of Local Government Finance (DLGF)

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

Year	Projected City of South Bend COIT Revenues	Redevelopment District Taxable Revenue Bonds, Series 2010	COIT Lease Rental Revenue Refunding Bonds of 2010 Lease Payments	First Mortgage Revenue Refunding Bonds, Series 2012 Lease Payments	First Mortgage Revenue Bonds Series 2013 Lease Payments	Total Lease Payments	Estimated Excess Funds	Estimated Coverage
2019	\$ 10,881,819	\$ 353,970	\$ 671,144	\$ 1,557,920	\$ 398,830	\$ 2,981,864	\$ 7,899,955	364.93%
2020	11,099,456	-	672,500	1,555,880	396,705	2,625,085	8,474,371	422.82%
2021	11,321,445	-	336,600	1,566,750	399,355	2,302,705	9,018,740	491.66%
2022	11,547,874	-	-	1,555,000	396,780	1,951,780	9,596,094	591.66%
2023	11,778,831	-	-	779,625	398,980	1,178,605	10,600,226	999.39%
2024	12,014,408	-	-	-	406,543	406,543	11,607,865	2955.26%
2025	12,254,696	-	-	-	411,493	411,493	11,843,203	2978.11%
2026	12,499,790	-	-	-	410,643	410,643	12,089,147	3043.96%
2027	12,749,786	-	-	-	414,149	414,149	12,335,637	3078.55%
2028	13,004,781	-	-	-	421,605	421,605	12,583,176	3084.59%
2029	13,264,877	-	-	-	422,742	422,742	12,842,135	3137.82%
2030	13,530,175	-	-	-	422,742	422,742	13,107,433	3200.57%
2031	13,800,778	-	-	-	427,550	427,550	13,373,228	3227.87%
2032	14,076,794	-	-	-	431,254	431,254	13,645,540	3264.15%
2033	14,358,329	-	-	-	433,925	433,925	13,924,404	3308.94%
2034	14,645,496	-	-	-	-	-	14,645,496	n/a
2035	14,938,406	-	-	-	-	-	14,938,406	n/a
2036	15,237,174	-	-	-	-	-	15,237,174	n/a
2037	15,541,918	-	-	-	-	-	15,541,918	n/a
Total	\$ 248,546,832	\$ 353,970	\$ 1,680,244	\$ 7,015,175	\$ 6,193,296	\$ 15,242,685	\$ 233,304,147	1630.60%

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

City of South Bend, Indiana

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

Year	Projected	2014	2015	Total Lease Payments	Estimated	Estimated Coverage
	City of South Bend CEDIT Revenues	St. Joseph County PSAP Revenue Bond	Parks/CEDIT Bond		Excess Funds	
2019	\$ 11,028,367	\$ 199,242	\$ 382,731	\$ 581,973	\$ 10,446,394	1895.00%
2020	11,248,934	199,460	381,131	580,591	10,668,343	1937.50%
2021	11,473,913	199,271	374,381	573,652	10,900,261	2000.15%
2022	11,703,391	199,423	372,556	571,980	11,131,412	2046.12%
2023	11,937,459	199,423	375,581	575,005	11,362,454	2076.06%
2024	12,176,208	199,314	368,381	567,696	11,608,512	2144.85%
2025	12,419,732	154,405	381,031	535,436	11,884,296	2319.55%
2026	12,668,127	155,363	373,231	528,594	12,139,533	2396.57%
2027	12,921,490	154,724	375,356	530,080	12,391,410	2437.65%
2028	13,179,919	155,298	377,181	532,479	12,647,440	2475.20%
2029	13,443,518	154,128	383,616	537,744	12,905,774	2499.98%
2030	13,712,388	154,172	384,038	538,210	13,174,179	2547.78%
2031	13,986,636	154,051	388,463	542,514	13,444,122	2578.12%
2032	14,266,369	153,630	387,175	540,805	13,725,563	2637.99%
2033	14,551,696	153,038	389,813	542,851	14,008,845	2680.61%
2034	14,842,730	153,582	391,781	545,364	14,297,366	2721.62%
2035	15,139,584	-	593,094	593,094	14,546,491	2552.65%
2036	15,442,376	-	-	-	15,442,376	n/a
2037	15,751,224	-	-	-	15,751,224	n/a
2038	16,066,248	-	-	-	16,066,248	n/a
Total	\$ 267,960,310	\$ 2,738,526	\$ 6,679,541	\$ 9,418,067	\$ 258,542,243	2845.17%

Note: These payments include principal and interest.

Source: City of South Bend Finance Department

City of South Bend, Indiana

Estimated Tax Increment Revenue

Erskine Village Project

<u>Tax Year / Collection Year</u>	<u>Estimated Tax Increment (1)</u>	<u>12/13 Net Tax Rate (2)</u>	<u>Estimated Tax Increment Revenue</u>
2012/2013	\$ 1,311,129	\$ 4	\$ 1,311,129
2013/2014	9,175	-	9,175
2014/2015	19,183	-	19,183
2015/2016	-	-	-
2016/2017	-	-	-
2017/2018	-	-	-
2018/2019	-	-	-

(1) The City passed back incremental assessed value for payable year 2013.

The City will make a yearly decision on the pass back of incremental assessed value. The Redevelopment Commission released TIF for 2013 pay 2014, 2015 pay 2016, 2016 pay 2017, and 2017 pay 2018.

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 South Bend Population (1)	Percent Increase/ (Decrease)	South Bend Metropolitan Area Median Family Income (2)	Percent Increase/ (Decrease)	South Bend Metro Area Total Personal Income (3) (Millions)	Percent Increase/ (Decrease)	South Bend Metro Area Per Capita Income (3)	Percent Increase/ (Decrease)	City of South Bend Median Age (4)	City of South Bend Public School Enrollment (5)	Percent Increase/ (Decrease)
2010	101,168	-4.73%	40,789	-6.02%	10,788	1.95%	33,819	2.02%	33.4	20,066	-1.88%
2011	101,168	0.00%	40,873	0.21%	11,447	6.11%	35,867	6.06%	33.3	19,467	-2.99%
2012	101,168	0.00%	40,873	0.00%	11,948	4.37%	37,505	4.57%	33.3	18,982	-2.49%
2013	101,168	0.00%	40,873	0.00%	12,196	2.08%	38,265	2.03%	33.3	19,680	3.68%
2014	101,168	0.00%	34,656	-15.21%	12,887	5.67%	40,342	5.43%	33.9	19,308	-1.89%
2015	101,168	0.00%	34,656	0.00%	13,560	5.22%	42,362	5.01%	34.0	18,680	-3.25%
2016	101,168	0.00%	34,523	-0.38%	14,074	3.79%	43,880	3.58%	34.9	18,110	-3.05%
2017	101,168	0.00%	35,758	3.58%	14,074	0.00%	43,880	0.00%	34.9	17,697	-2.28%
2018	101,168	0.00%	35,758	0.00%	14,700	4.45%	45,681	4.10%	33.4	17,225	-2.67%
2019	102,026	0.85%	32,511	-9.08%	15,232	3.62%	47,244	3.42%	32.8	16,725	-2.90%

Sources:

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

(2) U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (<http://factfinder.census.gov/>)

(3) Bureau of Local Economic Analysis, South Bend-Mishawaka, IN_MI Metropolitan Area Profile (<https://www.bea.gov/>). 2017 information not available.

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

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

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

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

Demographic Statistics (Continued)

Last Ten Years

Year	December South Bend Metropolitan Area Labor Force (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Area Unemployment (1)	Percent Increase/ (Decrease)	December South Bend Metropolitan Unemployment Rate (1)
2010	155,045	0.41%	17,869	0.88%	11.53%
2011	155,025	-0.01%	15,582	-12.80%	10.05%
2012	151,520	-2.26%	14,085	-9.61%	9.30%
2013	150,796	-0.48%	13,021	-7.55%	8.63%
2014	152,583	1.19%	10,040	-22.89%	6.58%
2015	154,598	1.32%	7,768	-22.63%	5.02%
2016	158,279	2.38%	7,176	-7.62%	4.53%
2017	157,856	-0.27%	5,442	-24.16%	3.45%
2018	160,969	1.97%	5,988	10.03%	3.72%
2019	159,616	-0.84%	5,445	-9.07%	3.41%

Source:

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

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

Employment By Type and In

Last T

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total employment	165,304	163,945	166,847	165,809	165,629	168,314	171,852	175,721	176,231
By Type:									
Wage and salary employment	135,840	134,643	136,844	136,390	136,105	138,475	141,683	144,810	145,127
Proprietors employment	29,464	29,302	30,003	29,419	29,524	29,839	30,169	30,911	31,104
Farm proprietors employment	1,329	1,340	1,342	1,305	1,310	1,303	1,295	1,292	1,277
Nonfarm proprietors employment	28,135	27,962	28,661	28,114	28,214	28,536	28,874	29,619	29,827
By Industry:									
Farm employment	1,765	1,758	1,770	1,685	1,692	1,686	1,690	1,674	1,633
Nonfarm employment	163,539	162,187	165,077	164,124	163,937	166,628	170,162	174,047	174,598
Private nonfarm employment	145,200	143,893	146,880	146,807	147,148	150,006	153,455	157,232	157,803
Forestry, fishing, and related activities	(D)	245	270	301	287 (D)	(D)	(D)	(D)	(D)
Mining	96	117	105	154	173 (D)	(D)	(D)	(D)	(D)
Utilities	(D) (D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Construction	7,988	6,909	6,928	6,631	6,811	6,827	7,341	7,736	8,216
Manufacturing	16,516	16,280	17,619	17,655	17,139	17,523	18,098	18,444	18,670
Wholesale trade	7,057	7,168	7,250	7,097	6,870	7,265	7,477	7,678	7,064
Retail trade	18,105	17,711	17,813	17,665	17,612	17,735	17,912	18,186	17,968
Transportation and warehousing	(D)	4,332 E	(D)						
Information	(D)	2,227	2,080	2,114	2,265	2,266	2,147	2,053	1,993
Finance and insurance	6,988	6,814	7,021	6,796	6,212	6,055	6,143	6,188	6,668
Real estate and rental and leasing	6,128	5,928	6,100	5,986	6,064	6,271	6,225	6,502	6,423
Professional, scientific, and technical services	7,273 E	7,163 E	7,168 E	6,981 E	7,411	7,419	7,805	(D)	8,149
Management of companies and enterprises	1,246 E	1,306 E	1,403 E	1,513 E	2,194	2,331	2,390	(D)	2,801
Administrative and waste management services	8,108	8,524	8,356	7,912	7,785	8,142	8,169	8,657	8,442
Educational services	13,067	13,198 E	13,747	14,121 (D)	(D)	(D)	(D)	15,284	(D)
Health care and social assistance	20,882	20,332 E	21,256	21,870 (D)	(D)	(D)	(D)	23,679	(D)
Arts, entertainment, and recreation	2,655	2,625	2,811	2,767	2,809	2,749	2,742	2,852	3,132
Accommodation and food services	10,945	11,021	11,576	11,816	12,189	12,348	12,811	13,248	13,200
Other services, except public administration	(D)	9,728	10,031	10,038	9,939	10,316	10,385	10,569	10,512
Government and government enterprises	18,339	18,294	18,197	17,317	16,789	16,622	16,707	16,815	16,795
Federal, civilian	1,241	1,265	1,090	1,071	1,010	962	944	952	972
Military	1,013	1,003	1,043	1,006	990	1,002	1,023	1,005	972
State and local	16,085	16,026	16,064	15,240	14,789	14,658	14,740	14,858	14,851
State government	3,350	3,448	3,555	3,483	3,272	3,096	3,077	3,109	3,128
Local government	12,735	12,578	12,509	11,757	11,517	11,562	11,663	11,749	11,723

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

* 5/2019: 2018 information not available yet

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

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

2 - Excludes limited partners.

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

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

Last updated: November 15, 2018-- revised statistics for 2001-2016.

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

City of South Bend, Indiana

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

Last Ten Years

Calendar Year	Amount in Millions		Amount in Billions	Annual Percentage Increase		
	St. Joseph Co.	Indiana	U.S.	St. Joseph Co.	Indiana	U.S.
	Personal Income	Personal Income	Personal Income	Personal Income	Personal Income	Personal Income
2010	9,042	220,157	12,079	-6.86%	-2.48%	-3.31%
2011	9,144	227,692	12,460	1.14%	3.42%	3.15%
2012	10,257	256,257	13,998	12.17%	12.55%	12.35%
2013	10,395	259,524	14,175	1.35%	1.27%	1.26%
2014	10,967	269,592	14,983	5.50%	3.88%	5.70%
2015	11,657	279,704	15,711	6.29%	3.75%	4.86%
2016	11,781	289,164	16,116	1.06%	3.38%	2.58%
2017	12,472	301,008	16,820	5.87%	4.10%	4.37%
2018	12,908	312,150	17,572	3.50%	3.70%	4.47%
2019	12,908	331,486	18,817	0.00%	6.19%	7.09%
Average Annual Growth - Most Recent 5 Years				3.34%	4.22%	4.40%
Average Annual Growth - Most Recent 10 Years				3.04%	4.07%	4.24%

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

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

Last updated: March 3, 2019-- new estimates for 2016; revised estimates for 2012-2016.

* 5/2019: 2018 information not available.

Principal Employers - Current and Ten Years Ago

December 31, 2018

Employer	Type of Business	2019			2010		
		Number of Employees	Percent of Total	Rank	Number of Employees	Percent of Total	Rank
Beacon Health System (Memorial) (2)	Health Care	7,000	4.35%	1	5,190	3.89%	2
University of Notre Dame	Higher Education	6,371	3.96%	2	4,069	3.05%	1
South Bend Community School Corp (2)	Public Schools	2,777	1.73%	3	3,489	2.61%	3
Indiana University South Bend	Higher Education	1,277	0.79%	6	1,489	1.12%	6
St. Joseph County	Government	1,348	0.84%	4	1,141	0.86%	7
City of South Bend	Government	1,290	0.80%	5	1,132	0.85%	8
Four Winds Casino (2)	Casino and restaurants	1,250	0.78%	7	-	0.00%	
AM General Corporation	Manufacturing/Assembly	976	0.61%	8	2,550	1.91%	4
Honeywell Aerospace (2)	Aerospace Manufacturing	850	0.53%	9	700	0.52%	10
Press Ganey (2)	Health Care Management	688	0.43%	10	-	0.00%	
Saint Joseph Health System	Health Care				2,534	1.90%	5
The Diocese of Fort Wayne/South Bend	Parochial Schools				1,698	1.27%	5
South Bend Medical Foundation	Health Care	-			757	0.57%	9
Total Number of Employees		<u>23,827</u>	<u>14.80%</u>		<u>24,749</u>	<u>18.55%</u>	
Total Employees - South Bend Metropolitan Area Labor Force (1)		<u>160,969</u>	<u>100.00%</u>		<u>133,433</u>	<u>100.00%</u>	

Source:

Crowe Horwath CPAs and conversations with employers

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

Operating Information

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

New Construction - Number of Permits and Property Values

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

Year	Residential Number of Permits	Residential Value (in 000's)	Commercial Number of Permits	Commercial Value (in 000's)	Public Utility Number of Permits	Public Utility Value (in 000's)	Manufacturing Number of Permits	Manufacturing Value (in 000's)	Total Value (in 000's)	Total Value Increase/ (Decrease)
2010	35	7,450	5	28,283	1,221	25,998	-	-	61,731	-7.45%
2011	33	6,300	14	10,737	880	20,265	1	2,023	39,325	-36.30%
2012	45	9,827	11	21,247	-	-	2	2,291	33,365	-15.16%
2013	50	15,136	8	4,954	-	-	1	160	20,250	-39.31%
2014	51	13,101	12	10,392	-	-	-	-	23,493	16.01%
2015	(1) 77	18,615	70	415,219	-	-	6	28,460	462,294	1867.79%
2016	61	15,215	22	53,622	-	-	-	-	68,837	-85.11%
2017	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%

Source - Consolidated City/County Building Department

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

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

Function/program	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	19	19	19	19	19	19	19	19	19
Fire										
Stations	11	11	11	11	11	11	11	11	11	12
Training Center	-	-	-	-	1	1	1	1	1	2
Rescue units	33	33	33	33	33	33	33	33	33	33
Refuse collection										
Collection trucks	23	23	19	19	19	19	19	-	-	-
Other public works										
Streets (miles)	532	499	525	525	525	525	525	525	525	525
Streetlights	2,500	2,500	2,700	2,700	3,000	3,015	3,015	3,015	3,015	3,015
Traffic signals	162	164	165	167	162	158	164	163	163	163
Parks and recreation										
Acreage	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,300	1,300	1,300
Playgrounds	23	23	23	23	23	23	23	23	23	24
Baseball/softball diamonds	27	27	27	27	27	27	27	27	27	27
Soccer/football fields	17	17	19	19	19	19	19	19	19	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Splash Pads	5	5	5	6	6	6	7	8	8	8
Community center	5	5	5	5	3	3	3	4	4	4
Water										
Water mains (miles)	580	582	583	584	583	583	583	586	587	587
Fire hydrants	5,345	5,377	5,401	5,436	5,448	5,439	5,459	5,539	5,550	5,550
Storage capacity (thousands of gallons)	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Wastewater										
Sanitary sewers (miles)	534	534	528	526	527	527	527	535	537	537
Storm sewers (miles)	127	127	133	133	133	133	155	155	155	155
Treatment capacity (thousands of gallons)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000

Sources: Various city departments

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/ Program	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Physical arrests	3,077	3,626	3,174	2,959	2,608	2,483	2,342	2,229	2,664	2,028
Parking violations	979	904	1,051	1,019	299	691	480	919	548	293
Traffic violations	14,163	4,236	7,561	2,180	1,487	4,327	6,437	4,701	2,580	n/a
Fire:										
Emergency responses	15,578	15,408	15,720	15,865	15,902	15,340	15,886	16,829	22,659	n/a
Fires extinguished	225	251	214	220	227	213	236	339	278	n/a
Inspections	4,233	3,553	3,325	2,273	3,133	3,778	2,148	2,522	3,525	n/a
Refuse collection:										
Refuse collected (tons per day) (1)	120	123	128	122	128	149	139	142	142	148
Other public works:										
Street resurfacing (miles)	20	18	17	21	22	17	20	19	21	21
Potholes repaired (tonnage)	380	332	117	691	826	526	462	363	476	878
Parks and recreation:										
Athletic field permits issued	381	227	133	93	120	113	427	142	103	428
Fitness Center Admissions	60,118	67,408	61,002	63,671	67,428	64,547	67,294	73,405	68,306	71,262
Water:										
New billable housing starts	179	144	160	242	141	108	189	214	119	149
Water mains breaks	76	60	66	80	134	99	53	45	67	86
Average daily consumption (thousands of gallons)	15,955	15,600	16,600	15,300	11,000	14,500	14,640	14,358	14,640	14,400
Wastewater:										
Average daily sewage treatment (thousands of gallons)	30,861	35,800	31,770	30,690	31,991	30,200	43,874	35,800	37,110	37,730

Sources: Various city departments

(1) 2007 and prior years were in cubic yards

Full-Time Equivalent City Government Employees by Department

Last Ten Fiscal Years

Department	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Mayor's Office	7	7	6	6	7	7	6	7	7	7
City Clerk's Office	5	5	5	5	5	5	5	5	5	4
Common Council (elected officials, part-time)	9	9	9	9	9	9	9	9	9	9
Administration and Finance	26	27	22	20	21	18	26	21	23	23
Legal Department	9	9	9	10	10	12	11	10	10	8
Engineering & Sustainability	19	17	15	13	14	16	18	18	23	25
Safety and Risk	-	-	3	3	3	2	2	2	3	2
Human Rights	-	-	6	6	6	6	6	5	5	5
Public Safety:										
Police Department	293	293	291	291	295	300	287	283	283	270
Communication Center	38	35	35	33	34	-	-	-	-	-
Fire Department	255	258	249	255	257	259	268	272	262	265
Building Maintenance	3	3	-	-	-	-	3	2	4	3
Culture and Recreation:										
Parks and Recreation (2)	113	114	114	113	87	88	89	94	90	94
Convention and Events Management (1)	13	14	14	14	14	14	12	9	18	17
Economic Development:										
Department of Community Investment	26	25	24	26	25	25	23	22	24	28
Highways and Streets:										
Street Department	52	56	52	60	59	53	59	55	54	57
Traffic & Lighting	-	-	-	-	-	-	-	-	-	-
Enterprise Funds:										
Water Works	75	74	73	70	68	67	65	67	63	63
Wastewater	51	49	46	45	42	43	44	45	42	43
Organic Resources (formerly in Wastewater)	-	-	6	6	6	6	6	6	6	6
Sewer	35	36	39	34	33	30	31	38	39	41
Solid Waste	26	23	24	26	22	21	25	23	22	23
Building Department	13	13	13	14	13	13	14	14	15	13
Code Enforcement/Animal Care & Control	23	25	25	24	23	23	26	29	26	31
Internal Service Fund:										
311 Call Center	-	-	-	5	7	7	7	6	7	6
Innovation and Technology (3)	-	-	-	-	-	-	-	17	20	22
Central Services	41	41	42	43	38	36	37	40	39	34
Total Positions	1,132	1,133	1,122	1,131	1,098	1,060	1,079	1,099	1,099	1,099

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

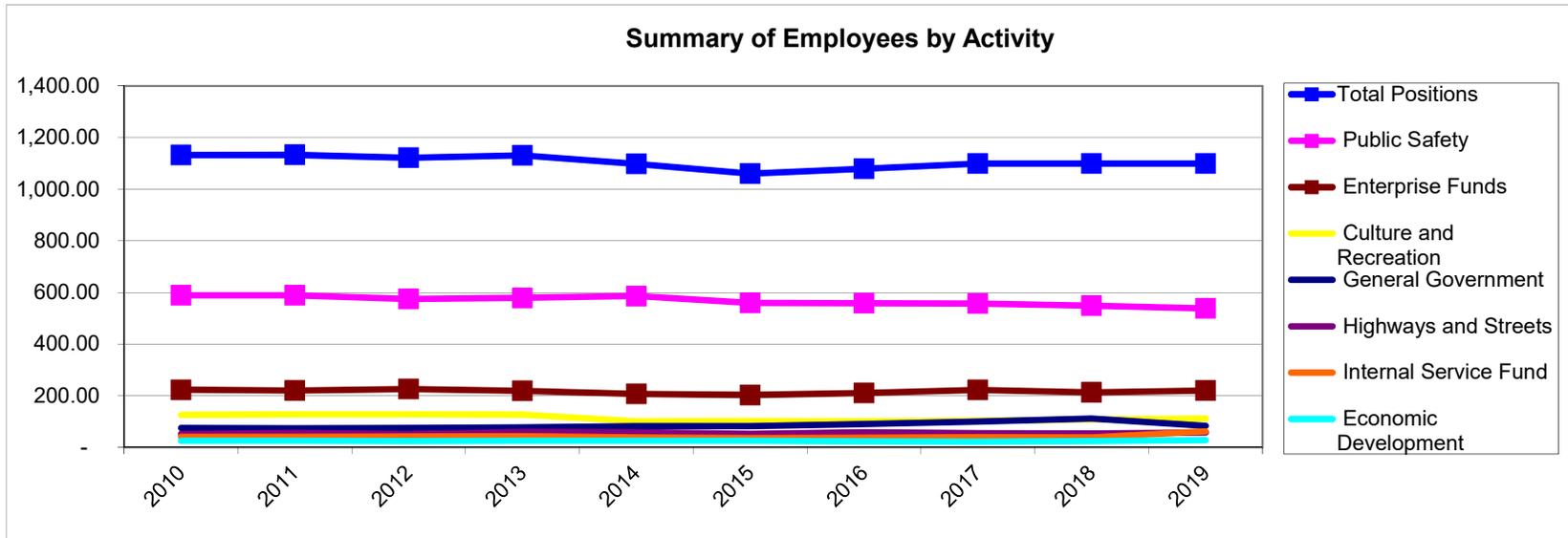
Last Ten Fiscal Years

Department	As of December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summary by Activity										
General Government	75.00	74.00	75.00	77.00	82.00	82.00	90.00	100.00	112.00	83.00
Public Safety	589.00	589.00	575.00	579.00	586.00	559.00	558.00	557.00	549.00	538.00
Culture and Recreation	126.00	128.00	128.00	127.00	101.00	102.00	101.00	103.00	108.00	111.00
Economic Development	26.00	25.00	24.00	26.00	25.00	25.00	23.00	22.00	24.00	28.00
Highways and Streets	52.00	56.00	52.00	60.00	59.00	53.00	59.00	55.00	54.00	57.00
Enterprise Funds	223.00	220.00	226.00	219.00	207.00	203.00	211.00	222.00	213.00	220.00
Internal Service Fund	41.00	41.00	42.00	43.00	38.00	36.00	37.00	40.00	39.00	62.00
Total Positions	1,132.00	1,133.00	1,122.00	1,131.00	1,098.00	1,060.00	1,079.00	1,099.00	1,099.00	1,099.00

Excludes seasonal, part-time and temporary positions

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

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



Salary Rate Comparison

1990 - 2019

Year	---1st Class Patrol Officer---		---1st Class Fire Fighter---		Non-bargaining	Teamsters
	Percent	Base Salary	Percent	Base Salary		
1990	3.62%	\$ 20,071	4.74%	\$ 19,869	3.00-4.00%	.25 per hour
1991	0.92%	20,256	2.52%	20,369	3.00%	.25 per hour
1992	4.69%	21,206	2.45%	20,869	3.00%	.30 per hour
1993	0.44%	21,300	5.00%	21,912	4.24%	0.00%
1994	2.35%	21,800	0.00%	21,912	1.50% + \$300 bonus	.15 per hour
1995	4.82%	22,850	3.00%	22,569	1.50% + \$300 bonus	.30 per hour
1996	4.38%	23,850	5.00%	23,697	3.00%	.27 per hour
1997	4.19%	24,850	4.87%	24,850	3.00%	.33 per hour
1998	4.63%	26,000	0.60%	25,000	3.00%	.37 per hour
1999	3.85%	27,000	2.60%	25,650	3.25%	3.50%
2000	5.56%	28,500	9.34%	28,045	3.50%	3.50%
2001	9.74%	31,275	11.52%	31,275	3.50%	4.00%
2002	4.50%	32,682	4.03%	32,534	4.00%	4.00%
2003	5.57%	34,504	4.04%	33,850	4.00%	4.00%
2004	6.01%	36,578	5.17%	35,600	4.00%	4.00%
2005	9.36%	40,000	12.36%	40,000	4.00%	4.00%
2006	2.50%	41,000	2.00%	40,800	2.00%	4.25%
2007	2.50%	42,025	2.50%	41,820	\$750/0%	.38 per hour
2008	3.50%	43,496	3.50%	43,285	3.00%	3.00%
2009	2.20%	44,453	2.00%	44,150	2.00%	2.00%
2010	0.00%	44,453	6.80%	47,150	2.00%	2.00%
2011	11.50%	49,563	4.06%	49,066	2.00%	0.00%
2012	2.00%	50,554	2.00%	50,047	2.00%	2.00%
2013	2.50%	51,818	3.00%	51,550	2.00%	2.00%
2014	2.50%	53,113	3.00%	53,100	2.00%	2.00%
2015	2.20%	54,281	2.20%	54,268	2.00%	2.00%
2016	2.20%	55,475	2.20%	55,462	2.00%	2.00%
2017	2.50%	56,861	2.20%	56,682	2.00%	1% + 1.5% for PERF
2018	2.00%	57,998	2.00%	57,957	2.00%	.75% and 1.5% INPRS Contribution
2019	2.00%	59,158	2.00%	59,116	2.00%	.75% and 1.5% INPRS Contribution

Type of Coverage		Limits of Liability	Estimated Annual Premium
Liability			
Comprehensive General Liability		Statutory	Self-Insured
Police Professional Liability		Statutory	Self-Insured
Ambulance Malpractice Liability		Statutory	Self-Insured
Premises Liability (Clay Utilities, Century Center, Parking Garages)		Statutory	Self-Insured
CGL - Stadium		Statutory	Self-Insured
Liquor Liability	1/1/19-1/1/20	\$ 1,000,000	\$ 2,280 Premium
Special Events (Arbor Day/Rum Village Aerial)	4/20/19-4/20/20	\$ 1,000,000	\$ 2,000 Premium
Crime			
Public Employee Dishonesty	12/31/19-12/31/20	\$ 1,000,000	\$ 9,205 Premium
Property			
	7/1/19-7/1/20		
All risk blanket building & contents		\$ 550,000,000	\$425,292 Premium
Business Income		Included in above	Included in above
Machinery Breakdown		Included in above	Included in above
Fine Arts		Included in above	Included in above
Valuable Papers & Records		Included in above	Included in above
Contractors Equipment		Included in above	Included in above
Flood Insurance - Pump station & contents	1/15/19-1/15/20	\$ 839,200	\$ 9,370 Premium
Eddy Street Commons Parking Garage	3/2/19-3/2/20		
Building & Infrastructure		\$ 36,000,000	\$ 27,672 Premium
Business Income & Rental Value		\$ 15,000,000	Included in above
Flood		\$ 25,000,000	Included in above
Earthquake		\$ 25,000,000	Included in above
Other			
	1/1/19-1/1/20		
Workers Compensation		Statutory	Self-Insured
Third Party Fee		Statutory	\$ 53,000 Fee
Excess Over Self-insured \$400,000 Retention Each Accident		Statutory	\$147,764 Premium/Fee

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

Police Department				
	2016	2017	2018	2019
Authorized Officers	247	230	237	228
Vehicles	363	340	428	452
Special Officer Groups:				
K-9 Patrols	8	7	7	7
SWAT Team	17	18	18	18
NEST - Special Neighborhood Unit	9	12	12	12
Motorcycle Patrol Officers	7	6	8	8
Bomb Squad	3	3	3	3
Crime Prevention Officers	3	4	3	3
Crime Data:				
Murders	15	17	9	11
Rapes	70	93	66	67
Robbery	388	345	365	277
Aggravated Assault	565	611	782	711
Residential Burglary	955	830	685	970
Non-residential Burglary	286	362	350	
Larceny	3,359	3,438	3,288	2,956
Auto Theft	566	469	510	480
Arson	47	37	47	71
Calls for Service	103,183	99,542	96,853	98,536
Dispatches	103,183	99,542	96,853	98,536
Miles Driven	3,137,616	3,038,700	2,993,092	3,098,275
Arrests	2,342	2,229	2,664	2,109

Fire Department				
Paid Department established 1887				
	2016	2017	2018	2019
Sworn Firefighters				
(46 of which are Paramedics)	244	253	255	265
Fire Apparatus	20	20	20	20
Hazardous Materials Truck	1	1	1	1
Reserve Pumper Trucks	3	3	3	3
Reserve Ladder Trucks	2	2	2	2
River Rescue Boats	3	3	3	3
Ambulances	7	7	4	4
Neonatal (Newborn) Units	3	3	3	3
Fire Runs	3,421	3,582	3,894	5,898
Ambulance Runs	14,583	15,442	18,765	15,980

Department of Public Works				
	2016	2017	2018	2019
Traffic Signals	164	163	163	163
Street Lights (City maintained)	3,015	3,015	3,015	3,015
Miles of Streets	525	525	525	525
Miles of Sidewalks	695	695	707	707
Miles of Alleys	398	398	398	398
Miles of Sanitary Sewers and Storm Drains	691	691	692	692
City Owned Vehicles & Related Units	1,183	1,190	1,125	1,274
Trash Picked Up Per Week (in tons)	556/wk	568/wk	568/wk	568/wk

Sign Shop				
	2016	2017	2018	2019
Work orders for sign maintenance, installation or removal	3,119	1,641	1,642	n/a
Miles of yellow and white paint	288	297	311	n/a
Pre-formed plastic arrows used for street markings	91	46	216	n/a
Crosswalk painting at intersections	487	387	220	n/a
Turn arrows in turn lanes	-	-		
Detour routes	-	-		
Temporary No Parking postings	462	499	512	n/a
Built Portables	-	-		
Railroad Crossings	7	7	4	n/a
Special Signs Built	350	273	532	n/a
Barricades set up for events (# of events):	86	100	136	n/a
Block Parties	47	40	28	n/a

Sewer Utility				
	2016	2017	2018	2019
Customers	40,043	40,543	40,680	40,547
Dry Tons of Sludge produced per year	2,704	2,397	2,565	2,565
Miles of Sanitary Sewer Lines	230	230	232	232
Miles of Storm Sewer Lines	155	155	155	155
Miles of Combined Lines (not separated)	305	305	305	305

Water Utility				
	2016	2017	2018	2019
Customers/Meters	40,670	41,200	41,275	41,135
Irrigation Customers	2,973	2,907	2,905	2,902
Wells/Pumps in service	30	27	30	30
Pumping Capacity	53.7 m.g.d.	48 m.g.d.	40 m.p.g.	48 m.g.d.
Daily Consumption	14.6 m.g.d.	14.4m.g.d.	14.6 m.g.d.	14.4m.g.d.
Peak Demand	26.5 m.g.d.	25.8 m.g.d.	25.1 m.g.d.	23.5 m.g.d.
Miles of Distribution Systems	583	586	587	587
Fire Hydrants	5,459	5,539	5,550	5,550

South Bend International Airport

Passenger Volume:			
Year	Airline Enplanements	South Shore Train	Bus to O'Hare/Midway
2014	301,878	251,426	37,315
2015	314,300	248,506	34,394
2016	328,897	243,920	34,145
2017	305,491	260,794	33,696
2018	368,877	246,641	27,044
2019	417,929	236,274	25,803

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

Commercial airlines with operations at South Bend International Airport (market share):

	2017	2018	2019
Allegiant Air	31.73%	26.98%	31.47%
Delta Connection	45.79%	41.56%	41.56%
United Express	20.63%	19.50%	18.78%
American	-	10.24%	6.72%
Charters/Nonscheduled	1.85%	1.72%	1.47%
Total	100.00%	100.00%	100.00%

Transpo

South Bend Public Transportation Corporation

	2017	2018	2019
Motor Bus (Fixed Route)			
Route Miles	291	290	290
Ridership	1,571,446	1,553,926	n/a
Miles of Service	1,356,792	1,420,366	n/a
Revenue Miles	1,282,475	1,361,525	n/a
Demand Response (ACCESS)			
Ridership	68,572	76,323	n/a
Total Miles	347,186	395,061	n/a
Revenue Miles	312,417	344,767	n/a

Other

Transportation

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

Universities and Colleges

	Enrollment		
	2017	2018	2019
University of Notre Dame	12,393	12,393	12,607
Indiana University at South Bend	5,385	5,214	5,563
Bethel College	1,650	1,650	1,513
St. Mary's College	1,600	1,600	1,548
Holy Cross College	500	500	451
Trine University - South Bend	78	78	78
Purdue Polytechnic Institute SB	150	120	130

Technical Colleges

	Enrollment		
	2017	2018	2019
IVY Tech Community College *	5,694	5,547	5,552

Convention Facilities

Century Center	75,000 square feet of exhibit space 2,270 max available seating 694 seat theater
Morris Performing Arts Center	2,500 available seating
Hotels/Motels	25 Hotels/Motels 3 Bed & Breakfasts
Major hotels and meeting rooms:	
DoubleTree by Hilton	facilities to seat 600
Waterford Estates Lodge	facilities to seat 500
The Morris Inn	facilities to seat 400
Aloft	facilities to seat 150

Health Care

The City of South Bend has excellent health care access at costs below the national average and the lowest in the Midwest region. The City has one major hospital:
Beacon Health Systems (Memorial Hospital) 525 beds

Communications

Access to:

- 3 Major Television Networks: NBC (WNDU), ABC (WBND), and CBS/FOX (WSBT)
- 1 Public Broadcasting Television Station (WJNT)
- 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