

# Fort Wayne, IN

## Improved to 'B' Grade for Fiscal Health



### The Truth

Money Available to Pay Future Bills **\$20.8 million**

Taxpayer Surplus™ **\$200**

Financial Grade **B**

Ranking **22 out of 75**

## Financial State of Fort Wayne

While it appeared that Fort Wayne bettered its standing from 2020, the data can be deceiving. Based upon the city's latest audited financial report for fiscal year 2021, Fort Wayne had \$20.8 million available to pay future bills. The resulting surplus was \$200 for each Fort Wayne taxpayer, earning it a "B" grade from Truth in Accounting. Importantly, the improvement included increases in the market value of pension assets, which are not considered spendable except to pay pension benefits.

The \$20.8 million available to pay Fort Wayne's bills is an upgrade over last year's report. The city's fiscal improvement occurred primarily due to a temporary decrease in its pension liability. Fort Wayne's pension liability is calculated by subtracting earned and promised benefits from the market value of pension assets. Based on an exceptionally good year in the markets in 2021, the pension assets' values were high. The result was a dramatic decrease in Fort Wayne's pension liability and a corresponding increase in money available to pay future bills.

In 2022, markets turned negative with declines reaching high points of more than 14%. It is expected this report will look different next year because those market declines will decrease the value of pension assets, resulting in an increase of Fort Wayne's pension liability. The situation could worsen further if Fort Wayne's elected officials assume extra funds exist based on transitory market increases and spend the money. Such actions are not advisable because of future downturns in the markets, as happened in 2022.

The data included in this report is derived from Fort Wayne's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other cities' financial, demographic, and economic information, go to [Data-Z.org](http://Data-Z.org).

February 2023

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**Daniels College of Business**  
UNIVERSITY OF DENVER  
School of Accountancy

# Fort Wayne's Financial Breakdown

## Fast Facts

- Fort Wayne had \$20.8 million available to pay future bills, which was a significant improvement from 2020.
- Mostly due to high, short-lived gains in the value of pension plan assets in 2021, pension debt decreased by \$75.1 million.
- Operating grants and contributions increased in part due to federal funding related to pandemic relief.

## The City's Assets Exceeded Its Bills

|                                       |                  |
|---------------------------------------|------------------|
| Total Assets                          | \$3,095,390,000  |
| Minus: Capital Assets                 | -\$2,263,661,000 |
| Restricted Assets                     | -\$109,550,000   |
| Assets Available to Pay Bills         | \$722,179,000    |
| Minus: Total Bills*                   | -\$701,382,000   |
| Money Available to Pay Future Bills   | \$20,797,000     |
| Each Taxpayer's Share of this Surplus | \$200            |

## \*Breakdown of Total Bills

|                                       |                |
|---------------------------------------|----------------|
| Bonds                                 | \$420,062,000  |
| Other Liabilities                     | \$779,561,000  |
| Minus: Debt Related to Capital Assets | -\$851,162,000 |
| Unfunded Pension Benefits             | \$174,795,000  |
| Unfunded Retiree Health Care Benefits | \$178,126,000  |
| Total Bills                           | \$701,382,000  |

|               |   |
|---------------|---|
| <b>Grade:</b> | Bottom line: Fort Wayne had more than enough money to pay its bills, so it received a "B" for its finances from Truth in Accounting. A "B" grade is given to governments with a Taxpayer Surplus between \$1 and \$9,999. |
| <b>B</b>      |   |

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