



# INDIANAPOLIS FINANCES IN DECENT SHAPE

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## THE FINANCIAL STATE OF INDIANAPOLIS

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Indianapolis ranks No. 31, earning it a "C" on TIA's grading scale.

Decisions by city officials have left the city with a debt burden of \$1 billion, according to TIA's analysis of its 2016 financial filings. That burden equates to \$3,700 for every Indianapolis taxpayer.

Indianapolis' financial problems are largely driven by entitlement obligations in the form of pension benefits. The city has \$914.9 million in unfunded pension promises and \$166.4 million in unfunded retiree healthcare benefits. While Indianapolis has promised these benefits, little money has been set aside to fund them.

A new accounting standard implemented last year requires state and local governments to report all of their pension debt on the balance sheet. And in fiscal year 2018, governments will have to disclose unfunded retiree healthcare debt as well. Indianapolis should be commended because it did not hide any retirement debt from its taxpayers in its 2016 annual financial report.

**31**

Rank

**\$1**

**billion**

Money needed  
to pay bills

**-\$3,700**

Taxpayer  
Burden™

**C**

Financial grade

# INDIANAPOLIS FINANCIAL BREAKDOWN

## FAST FACTS

- + Indianapolis has \$538.9 million available in assets to pay \$1.6 billion worth of bills.
- + The outcome is a \$1 billion shortfall and a \$3,700 Taxpayer Burden™.
- + Unlike most cities that TIA examined, Indianapolis reports all of its pension and retiree healthcare liabilities on its balance sheet.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$2,382,642,000
<i>Minus:</i> Capital assets	-\$1,662,346,000
Restricted assets	-\$181,384,000
Assets available to pay bills	\$538,912,000
<i>Minus:</i> Bills	-\$1,551,372,000
Money needed to pay bills	-\$1,012,460,000
<b>Each taxpayer's share of this debt</b>	<b>-\$3,700</b>

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,045,677,000
Other liabilities	\$272,812,000
<i>Minus:</i> Debt related to capital assets	-\$848,420,000
Unfunded pension benefits	\$914,913,000
Unfunded retiree healthcare	\$166,390,000
<b>Bills</b>	<b>\$1,551,372,000</b>

## GRADE: C

Bottom line: Indianapolis' Taxpayer Burden™ is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Indianapolis still owes more than it owns.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.