



NASHVILLE RECEIVES 'D' GRADE FOR ITS FISCAL HEALTH

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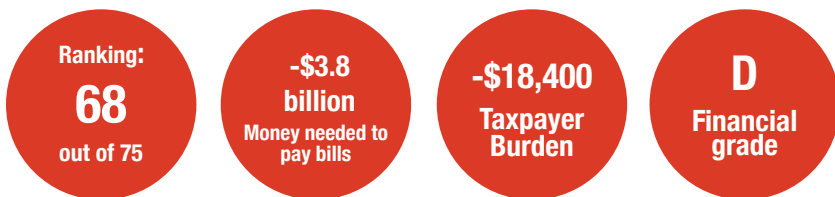
THE FINANCIAL STATE OF NASHVILLE

A new analysis of the audited financial reports found Nashville has a Taxpayer Burden™ of \$18,400, earning it a “D” grade from Truth in Accounting. Nashville is one of 32 cities to receive a “D” grade for its financial condition.

Nashville’s elected officials have made repeated financial decisions that have left the city with a debt burden of \$3.8 billion. That burden equates to \$18,400 for every city taxpayer. Nashville’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$10.4 billion in retirement benefits promised, the city has not funded \$378.3 million in pension and \$4.2 billion in retiree health care benefits.

Nashville and other cities have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:



NASHVILLE FINANCIAL BREAKDOWN

FAST FACTS

- Nashville has \$3.3 billion available to pay \$7.1 billion worth of bills.
- The outcome is a \$3.8 billion shortfall, which breaks down to a burden of \$18,400 per taxpayer.
- Nashville’s reported net position is inflated by \$152.1 million, largely because the city defers recognizing losses incurred when retirement liabilities increase.

THE CITY’S BILLS EXCEED ITS ASSETS

Total assets	\$13,150,738,000
<i>Minus:</i> Capital assets	-\$9,460,891,000
Restricted assets	-\$438,336,000
Assets available to pay bills	\$3,251,511,000
<i>Minus:</i> Total bills	-\$7,062,623,000
Money available (needed) to pay bills	-\$3,811,112,000
Each taxpayer’s share of this debt	-\$18,400

BILLS THE CITY HAS ACCUMULATED

Bonds	\$5,541,119,000
Other liabilities	\$2,894,284,000
<i>Minus:</i> Debt related to capital assets	-\$5,921,202,000
Unfunded pension benefits	\$378,289,000
Unfunded retiree health care benefits	\$4,170,133,000
Total bills	\$7,062,623,000

GRADE: D

Bottom line: Nashville would need \$18,400 from each of its taxpayers to pay all of its bills. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D” grade.