

Nashville

The Truth



Money Needed to Pay Bills
\$955.6 million



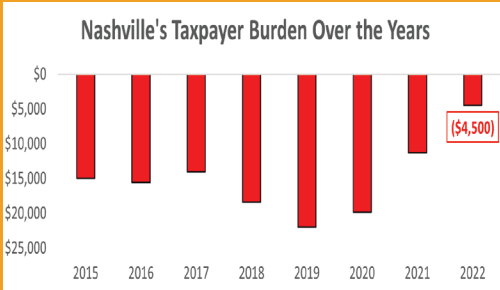
Taxpayer Burden™
\$4,500



Financial Grade
C



Ranking
48 out of 75



Financial State of Nashville

Nashville's financial condition appeared to improve due in part to increased tax collections and federal COVID relief funds. Despite the good news, they still had a Taxpayer Burden™ of \$4,500, earning it a "C" grade from Truth in Accounting.

According to the city's 2022 financial report, the city continued to spend federal COVID-19 relief funds, and as the U.S. economy reopened the city took in additional tax revenue. While the pension liability increased due to a deterioration in the value of pension investments, the amount of promised retiree health care benefits decreased due to changes in benefit terms and changes in the way this OPEB debt was calculated. Over the past few years investment market values have swung dramatically. This volatility demonstrates the risk to taxpayers when their city offers defined pension benefits to its employees.

While its pension plans appear to be well-funded, Nashville had set aside only 8 cents for every dollar of promised retiree health care benefits.

It is important to note that continued market fluctuations, changing investment values, decreased COVID relief funds, and a stabilizing economy that may slow tax collections, could worsen the city's financial health. City officials should continue to try to reduce the Taxpayer Burden by following the recommendations in our 2024 Financial State of the Cities report, which would also bring greater transparency and accountability to city finances.

Nashville's Financial Breakdown

Fast Facts

- Nashville had \$5.7 billion available to pay \$6.7 billion worth of bills.
- The outcome was a \$955.6 million shortfall, a financial deterioration of \$1.4 billion from the prior year, and a burden of \$4,500 per taxpayer.
- Nashville received COVID-19 relief funds, had increased tax collections and changed the way promised retiree health care benefits were calculated. These factors helped reduce its Taxpayer Burden by \$6,800.

The City's Bills Exceeded Its Assets

Total Assets	\$18,738,550,000
Minus: Capital Assets	-\$11,660,873,000
Restricted Assets	-\$1,329,370,000
Assets Available to Pay Bills	\$5,748,307,000
Minus: Total Bills*	\$6,703,919,000
Money needed to pay bills	\$955,612,000
Each taxpayer's share of this burden	\$4,500

*Breakdown of Total Bills

Bonds	\$7,705,512,000
Other Liabilities	\$3,890,374,000
Minus: Debt Related to Capital Assets	-\$7,572,839,000
Unfunded Pension Benefits	\$18,611,000
Unfunded Retiree Health Care Benefits	\$2,662,261,000
Total Bills	\$6,703,919,000

Grade:

C

Bottom line: Nashville would need \$4,500 from each of its taxpayers to pay all of its outstanding bills and received a "C" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a "C" grade.

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