



Our mission is to educate and empower citizens with understandable, reliable, and transparent government financial information.

August 11, 2015

Contact: Katherine Oxenreiter
312.589.5104

press@truthinaccounting.org
koxenreiter@truthinaccounting.org

Tennessee Hides 77 Percent of its Retirement Debt

CHICAGO — Truth in Accounting (TIA), a Chicago-based think tank that analyzes government financial reporting, released a new report titled, *The Financial State of Tennessee*. In this report, TIA researchers found that Tennessee did not report \$2.5 billion worth of its retirement debt on the state's balance sheet.

TIA researchers also discovered that Tennessee only reported \$763.6 million in pension and retirees' healthcare benefits, yet owes approximately \$3.3 billion. Because the state government uses outdated accounting methods, a significant amount of liabilities are excluded from its financial reporting.

When TIA researchers included the \$2.5 billion of hidden debt, they discovered that Tennessee:

- owes \$12.3 billion in bills;
- has \$14.8 billion available to pay bills; and
- has \$2.4 billion available to pay future bills

If Tennessee's \$2.4 billion surplus were divided among its taxpayers, each taxpayer's personal share would be around \$1,300. "While Tennessee's officials deserve applause for having a state surplus, truthful and transparent accounting practices are absolutely necessary to avoid future financial issues," asserts Sheila Weinberg, TIA CEO and founder.

Data from the study was derived from Tennessee's June 30, 2014 audited *Comprehensive Annual Financial Report* and retirement plans' actuarial reports.

Founded in 2002, Truth in Accounting is dedicated to educating and empowering citizens with understandable, reliable, and transparent government financial information. Sheila Weinberg is a Certified Public Accountant with more than 30 years of experience in the field.

###