

TENNESSEE FINANCES IN GOOD HEALTH

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THE FINANCIAL STATE OF TENNESSEE

Unlike most states, Tennessee's elected officials have only promised the amount of benefits they can afford to pay. Because of this, Tennessee has enough money to pay all of its bills. When broken down, the amount available to pay future bills results in a surplus of \$2,100 for each Tennessee taxpayer.

Although Tennessee has enough money to pay all of its bills, it is still not completely transparent with taxpayers. Because of a new accounting standard from last year, it now has to report its pension debt on the face of the balance sheet. However, Tennessee is still hiding 7% of its debt. When it comes to retiree health care benefits, Tennessee is hiding \$852.8 million from taxpayers.

Here's the truth:

**\$4.1
billion**

money available
to pay future bills

\$2,100

taxpayer
surplus™

B

Tennessee's
financial grade

Data included in this report is derived from the state of Tennessee's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

TENNESSEE FINANCIAL BREAKDOWN

FAST FACTS

- + Tennessee has \$17.2 billion available in assets to pay \$13 billion worth of bills.
- + The outcome: A \$4.1 billion surplus, which breaks down to \$2,100 per taxpayer.
- + Despite reporting most of its pension debt, the state continues to hide much of its retiree health care debt. The state's total hidden debt amounts to \$864.5 million.

THE STATE'S ASSETS EXCEED ITS BILLS

Assets	\$55,280,528,000
<i>Minus:</i> Capital assets	-\$34,051,359,000
Restricted assets	-\$4,062,039,000
Assets available to pay bills	\$17,167,130,000
<i>Minus:</i> Bills	-\$13,031,966,000
Money available to pay bills	\$4,135,164,000
Each taxpayer's share of surplus	\$2,100

BILLS THE STATE HAS ACCUMULATED

Bonds	\$6,112,540,000
Other liabilities	\$6,026,738,000
<i>Minus:</i> Debt related to capital assets	-\$2,145,695,000
Unfunded pension benefits	\$1,286,506,000
Unfunded retiree health care	\$1,751,877,000
Bills	\$13,031,966,000

GRADE: B

Bottom line: Tennessee has enough money to pay its bills, so it has received a "B" for its finances from Truth in Accounting. A "B" grade is given to states with a taxpayer surplus™ between \$100 & \$10,000.

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.