



# NASHVILLE FINANCES IN TROUBLE

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## THE FINANCIAL STATE OF NASHVILLE

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Nashville ranks No. 64, earning it a "D" on TIA's grading scale.

Repeated decisions by city officials have left the city with a staggering debt burden of \$3.1 billion, according to TIA's analysis of its 2016 financial filings. That burden equates to \$15,600 for every Nashville taxpayer.

Nashville's financial problems are largely driven by runaway entitlement obligations in the form of retiree healthcare benefits. The city has \$731.4 million in unfunded pension promises and \$3.1 billion in unfunded retiree healthcare benefits. While Nashville has promised these benefits, little money has been set aside to fund them.

These statistics are jarring, but what's just as alarming is that city government officials continue to hide significant amounts of retirement debt from their balance sheets, despite new rules to increase financial transparency. This skewed financial data gives residents a false impression of their city's overall financial health.

**64**

Rank

**\$3.1  
billion**

Money needed  
to pay bills

**-\$15,600**

Taxpayer  
Burden™

**D**

Financial grade

# NASHVILLE FINANCIAL BREAKDOWN

## FAST FACTS

- + Nashville has \$3.2 billion available in assets to pay \$6.3 billion worth of bills.
- + The outcome is a \$3.1 billion shortfall and a \$15,600 Taxpayer Burden™.
- + Despite reporting most of its pension debt, the city hides most of its retiree healthcare debt. The city's total hidden debt amounts to \$1.7 billion.

### THE CITY'S BILLS EXCEED ITS ASSETS

|   |                  |
|---|------------------|
| Assets                                    | \$12,185,524,000 |
| <i>Minus:</i> Capital assets              | -\$8,683,392,000 |
| Restricted assets                         | -\$314,370,000   |
| Assets available to pay bills             | \$3,187,762,000  |
| <i>Minus:</i> Bills                       | -\$6,327,464,000 |
| Money needed to pay bills                 | -\$3,139,702,000 |
| <b>Each taxpayer's share of this debt</b> | <b>-\$15,600</b> |

### BILLS THE CITY HAS ACCUMULATED

|   |                        |
|---|------------------------|
| Bonds   | \$5,228,787,000        |
| Other liabilities                               | \$2,429,158,000        |
| <i>Minus:</i> Debt related to<br>capital assets | -\$5,115,473,000       |
| Unfunded pension benefits                       | \$731,361,000          |
| Unfunded retiree healthcare                     | \$3,053,631,000        |
| <b>Bills</b>                                    | <b>\$6,327,464,000</b> |

## GRADE: D

Bottom line: Nashville does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden™ between \$5,000 and \$20,000.

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.