

09

RANKING

TENNESSEE

Tennessee

\$14.8
BILLION
ASSETS
AVAILABLE

\$12.3
BILLION
IN BILLS

\$1300
TAXPAYER
SURPLUS

THE FINANCIAL STATE OF TENNESSEE

The State's Assets Exceed Its Bills

Assets	\$50,640,376,000
<i>Minus: Capital Assets</i>	\$32,271,353,000
<i>Restricted Assets</i>	\$3,597,451,000
Assets Available to Pay Bills	\$14,771,572,000
<i>Minus: Bills</i>	\$12,331,674,000
Money Available to Pay Future Bills	\$2,439,898,000
Each Taxpayer's Share of Surplus	\$1,300

Tennessee has \$50.6 billion in assets, but most of these assets are not available to pay state bills.

The \$32.3 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$3.6 billion of the assets is restricted by law or contract.

That leaves \$14.8 billion of state's assets available to pay \$12.3 billion of bills as they come due.

Tennessee's elected officials seem to promise only the amount of benefits they can afford to pay.

Each Taxpayer's Share of the Financial Surplus is \$1,300



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

www.TruthInAccounting.org

www.StateDataLab.org

The Bills Tennessee Has Accumulated

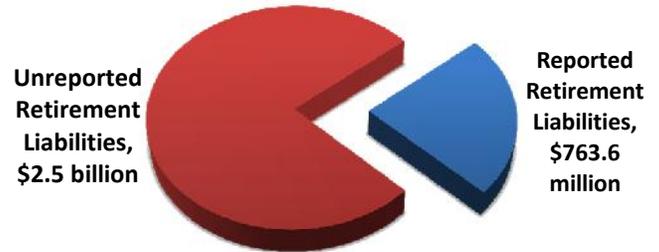
Bonds	\$5,766,988,000
Other Liabilities	\$5,398,938,000
<i>Minus: Debt Related to Capital Assets</i>	\$2,111,930,000
Unfunded Pension Benefits	\$1,466,000,000
Unfunded Retirees' Health Care Benefits	\$1,811,678,000
Bills	\$12,331,674,000

The state has accumulated bonds of \$5.8 billion and other liabilities of \$5.4 billion. The calculation of assets available to pay bills does not include capital assets, so \$2.1 billion of related debt is removed from the calculation of State bills.

Unfunded employees' retirement benefits represent 27% of state bills. These unfunded liabilities have accumulated because state employees have been promised \$1.5 billion of pension benefits and \$1.8 billion of retirees' health care benefits. Unlike most states, Tennessee has the assets needed to pay these liabilities.

Tennessee's elected officials seem to promise only the amount of benefits they can afford to pay.

Not All Retirement Liabilities Are Clearly Disclosed



A detailed study of Tennessee's actuaries' schedules found retirement benefits totaling \$3.3 billion have been promised, but not funded. A review of the state's balance sheet determined only \$763.6 million of these liabilities are reported. This means the state does not report \$2.5 billion of retirement liabilities on its balance sheet.

Data is derived from the state of Tennessee's June 30, 2014 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the state's population with a federal tax liability.