



PROVIDENCE FINANCES IN DIRE STRAITS

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THE FINANCIAL STATE OF PROVIDENCE

Repeated decisions by city officials have left the city with a staggering debt burden of \$2.2 billion, according to Truth in Accounting's (TIA) analysis of the most recent financial filings. That burden equates to \$34,200 for every Providence taxpayer.

These statistics are troubling, but what's more troubling is that city government officials continue to obscure large amounts of retirement debt on 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.

Here's the truth:

**\$2.2
billion**

money needed
to pay bills

-\$34,200

taxpayer
burden™

F

Providence's
financial grade

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

PROVIDENCE FINANCIAL BREAKDOWN

FAST FACTS

- + Providence has \$259.1 million available in assets to pay \$2.5 billion worth of bills.
- + The outcome: A \$2.2 billion shortfall and a \$34,200 taxpayer burden™.
- + Despite reporting most of its pension debt, the city continues to hide most of its retiree health care debt. The city's total hidden debt amounts to \$723.7 million.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$1,345,060,000
<i>Minus:</i> Capital assets	-\$1,034,336,000
Restricted assets	-\$51,642,000
Assets available to pay bills	\$259,082,000
<i>Minus:</i> Bills	-\$2,465,060,000
Money needed to pay bills	-\$2,205,978,000
Each taxpayer's share of this debt	-\$34,200

BILLS THE CITY HAS ACCUMULATED

Bonds	\$556,177,000
Other liabilities	\$234,556,000
<i>Minus:</i> Debt related to capital assets	-\$573,945,000
Unfunded pension benefits	\$1,267,598,000
Unfunded retiree health care	\$980,674,000
Bills	\$2,465,060,000

GRADE: F

Bottom line: Providence would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.

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.