



# RHODE ISLAND RECEIVES 'D' GRADE FOR ITS FISCAL HEALTH

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## THE FINANCIAL STATE OF RHODE ISLAND

A new analysis of the latest available audited financial reports found Rhode Island has a Taxpayer Burden™ of \$13,900, earning it a “D” grade from Truth in Accounting. Rhode Island is one of 18 states to receive a “D” grade for its financial condition.

Rhode Island’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$5.4 billion. That burden equates to \$13,900 for every state taxpayer. Rhode Island’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$8.8 billion in retirement benefits promised, the state has not funded \$3.7 billion in pension and \$700.4 million in retiree health care benefits.

Rhode Island and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

### THE TRUTH:



# RHODE ISLAND FINANCIAL BREAKDOWN

## FAST FACTS

- Rhode Island has \$5.5 billion available to pay \$10.8 billion worth of bills.
- The outcome is a \$5.4 billion shortfall, which breaks down to a burden of \$13,900 per taxpayer.
- This means that each taxpayer would pay \$13,900 in future taxes without receiving any related services or benefits.

### THE STATE'S BILLS EXCEED ITS ASSETS

Total assets	\$14,438,351,000
<i>Minus:</i> Capital assets	-\$6,590,792,000
Restricted assets	-\$2,376,032,000
Assets available to pay bills	\$5,471,527,000
<i>Minus:</i> Total bills	-\$10,839,288,000
Money available (needed) to pay future bills	-\$5,367,761,000
Each taxpayer’s share of this debt	-\$13,900

### BILLS THE STATE HAS ACCUMULATED

Bonds	\$5,755,147,000
Other liabilities	\$2,509,533,000
<i>Minus:</i> Debt related to capital assets	-\$1,872,933,000
Unfunded pension benefits	\$3,747,153,000
Unfunded retiree health care benefits	\$700,388,000
Total bills	\$10,839,288,000

## GRADE: D

Bottom line: Rhode Island would need \$13,900 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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