WHAT IS DOUGLAS SCHOOL DISTRICT HIDING?

$962 MILLION

We are debt free!

KEEP CLOSED

None of Douglas School District's retirement debt is reported on its balance sheet; $962 million in retirement debt is hidden.

Once these hidden debts are counted Douglas school district's balance sheet doesn't look so great. In fact, Douglas school district is sinking in debt. One of the reasons the district is in this precarious financial position is the monkey business used to report finances and hide the colossal gorilla in the room, $962 million of retirement debt. If this is included the district has a $904 million shortfall, which represents compensation and other costs that have been pushed into the future.

DOUGLAS SCHOOL DISTRICT'S BILLS EXCEED ITS ASSETS

$1.1 Billion BILLS

$197 Million ASSETS

DOUGLAS IS A SINKHOLE DISTRICT

The District's Bills Exceed Its Assets	
Assets	$1,105,987,750
Less: Capital Assets	$820,977,505
Restricted Assets	$88,026,521
Assets Available to Pay Bills	$196,983,724
Less: Bills	$1,100,796,816
Money Needed to Pay Bills	$903,786,092
Each Taxpayer's* Burden	$9,410

Douglas school district has $1.1 billion in assets, but most of these assets are not available to pay district bills.

The $821 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $88 million of the assets is restricted by law or contract.

That leaves $197 million of district's assets available to pay $1.1 billion of bills as they come due.

The $904 million shortfall represents compensation and other costs incurred in prior years that should have been paid in those prior years. Instead these costs have been shifted to future taxpayers.

Each Taxpayer's Share of This Financial Burden is $9,410.

Truth in Accounting

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.

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The Bills Douglas Has Accumulated	
Bonds	$564,730,362
Other Liabilities	$230,628,492
Less: Debt Related to Capital Assets	$656,776,874
Unfunded Pension Benefits	$914,296,587
Unfunded Retirees' HealthCare Benefits	$47,891,249
Bills	$1,100,769,816

Despite the balanced budget requirement, Douglas has accumulated bonds of $565 million and other liabilities of $231 million. The calculation of assets available to pay bills does not include capital assets, so $657 million of related debt is removed from the calculation of Douglas's bills.

Unfunded employees' retirement benefits represent 87% of district bills. These unfunded liabilities have accumulated because Douglas employees have been promised $914 million of pension benefits and $48 million of retirees' health care benefits, but the district has not adequately funded them.

Unless these pension and retirees' health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

Not All Retirement Liabilities Are Clearly Disclosed	
Reported Retirement Liabilities	$0
Unreported Retirement Liabilities	$962,187,836
Total Retirement Liabilities	$962,187,836

A detailed study of Douglas' actuaries' schedules found retirement benefits totaling $962 million have been promised, but not funded. A review of the district's balance sheet determined none of these liabilities are reported. This means the district does not report $962 million of retirement liabilities on its balance sheet.

Data is derived from the Douglas County of Denver's December 31, 2013 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

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

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