

WHAT IS GREELEY SCHOOL DISTRICT HIDING?



None of Greeley School District's retirement debt is reported on its balance sheet; \$304 million in retirement debt is hidden.

Once these hidden debts are counted Greeley school district's balance sheet doesn't look so great. In fact, the school district is sinking in debt. One of the reasons Greeley school district is in this precarious financial position is the monkey business used to report finances and hide the colossal gorilla in the room, \$304 million of retirement debt. If this debt is included, the district has a \$285 million shortfall, which represents compensation and other costs that have been pushed into the future.

GREELEY SCHOOL DISTRICT'S BILLS EXCEED ITS ASSETS

\$47 Million
ASSETS

\$332 Million
BILLS

GREELEY IS A SINKHOLE DISTRICT

The District's Bills Exceed Its Assets

Assets	\$252,025,253
Less: Capital Assets	\$176,865,514
Restricted Assets	\$28,464,269
Assets Available to Pay Bills	\$46,695,470
Less: Bills	\$331,893,701
Money Needed to Pay Bills	\$285,198,231
Each Taxpayer's* Burden	\$7,505

Greeley school district has \$252 million in assets, but most of these assets are not available to pay district bills.

The \$177 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$28 million of the assets is restricted by law or contract.

That leaves \$47 million of district's assets available to pay \$332 million of bills as they come due.

The \$285 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 \$7,505.

The Bills Greeley Has Accumulated

Bonds	\$128,710,682
Other Liabilities	\$22,090,603
Less: Debt Related to Capital Assets	\$123,095,846
Unfunded Pension Benefits	\$289,520,408
Unfunded Retirees Health Care Benefits	\$14,667,854
Bills	\$331,893,701

Despite the balanced budget requirement, Greeley has accumulated bonds of \$129 million and other liabilities of \$22 million. The calculation of assets available to pay bills does not include capital assets, so \$123 million of related debt is removed from the calculation of Greeley's bills.

Unfunded employees' retirement benefits represent 92% of district bills. These unfunded liabilities have accumulated because Greeley employees have been promised \$289 million of pension benefits and \$15 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	\$304,188,262
Total Retirement Liabilities	\$304,188,262

A detailed study of Greeley's actuaries' schedules found retirement benefits totaling \$304 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 \$304 million of retirement liabilities on its balance sheet.

Data is derived from the County of Greeley's June 30, 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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