

WHAT IS ST. VRAIN VALLEY SCHOOL DISTRICT HIDING?



None of St. Vrain Valley School District's retirement debt is reported on its balance sheet; \$461 million in debt is hidden.

Once these hidden debts are counted St. Vrain school district's balance sheet doesn't look so great. In fact, the district is sinking in debt. One of the reasons St. Vrain district is in this precarious financial position is the monkey business used to report finances and hide the colossal gorilla in the room, \$461 million of retirement debt. If this debt is included, the district has a \$379 million shortfall, which represents compensation and other costs that have been pushed into the future.

ST. VRAIN VALLEY SCHOOL DISTRICT'S BILLS EXCEED ITS ASSETS

\$157 Million
ASSETS

\$536 Million
BILLS

ST. VRAIN VALLEY IS A SINKHOLE DISTRICT

The District's Bills Exceed Its Assets

Assets	\$646,286,084
Less: Capital Assets	\$444,026,431
Restricted Assets	\$45,418,632
Assets Available to Pay Bills	\$156,841,021
Less: Bills	\$536,091,195
Money Needed to Pay Bills	\$379,250,174
Each Taxpayer's* Burden	\$7,005

St. Vrain Valley school district has \$646 million in assets, but most of these assets are not available to pay district bills.

The \$444 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$45 million of the assets is restricted by law or contract.

That leaves \$157 million of district's assets available to pay \$536 million of bills as they come due.

The \$379 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 \$7,005.



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 St. Vrain Valley Has Accumulated

Bonds	\$475,705,243
Other Liabilities	\$35,445,088
Less: Debt Related to Capital Assets	\$436,069,577
Unfunded Pension Benefits	\$437,133,651
Unfunded Retirees' HealthCare Benefits	\$23,876,790
Bills	\$536,091,195

Despite the balanced budget requirement, St. Vrain Valley has accumulated bonds of \$476 million and other liabilities of \$35 million. The calculation of assets available to pay bills does not include capital assets, so \$436 million of related debt is removed from the calculation of St. Vrain's bills.

Unfunded employees' retirement benefits represent 86% of district bills. These unfunded liabilities have accumulated because St. Vrain employees have been promised \$437 million of pension benefits and \$24 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	\$461,010,441
Total Retirement Liabilities	\$461,010,441

A detailed study of St. Vrain's actuaries' schedules found retirement benefits totaling \$461 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 \$461 million of retirement liabilities on its balance sheet.

Data is derived from the County of St. Vrain Valley 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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