



November 18, 2014

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Truth in Accounting Launches the Denver Report

Denver—Truth in Accounting (TIA), a Chicago-based think tank, released today the Denver Report, an in-depth study of the financial conditions of 63 local governments.

While many of these local governments appear to have positive financial positions, 20 of them have generated debt, even with a state-mandated balanced budget requirement in place. The study also found 13 school districts were unable to pay their bills, according to their financial records.

TIA's CEO and founder, Sheila Weinberg feels the organization's analysis indicates that the government has a greater amount of debt than is currently being reported to the public.

"Citizens deserve to know the truth about the amount of debt the nation is acquiring," Weinberg said, "So they can participate in the conversation about their government's fiscal policies and also make informed decisions."

TIA has discovered the actual debt ratio leaves Denver in a financial hole. The organization's analysis discovered \$1.1 billion of retirement benefits to be unfunded. However, due to the accounting practices used by the city, Denver reported only \$10.7 million of the debt.

The more than \$10 billion dollar discrepancy in Denver's books is due to the use of outdated accounting practices by government leaders. This antiquated method is based on cash accounting and does not achieve accounting's most basic mission of matching revenues and costs. Instead, government budgeting uses short-term cash-basis numbers when making long-term commitments.

A lack of transparency is another major contributing factor in unfunded retirement benefits, which taxpayers in Denver will need to pay in their future.

TIA's efforts resonate with Denver's newly passed Proposition 104, which requires union-school district contract negotiations to be open to the public. This is a step towards transparency in decision-making regarding the allocation of funds. Without accurate financial reports, voters do not have the information they need to cast informed votes for their government officials.

Founded in 2002, Truth in Accounting is dedicated to educating and empowering citizens with understandable, reliable, and transparent government financial information. Sheila Weinberg is a Certified Public Accountant with more than 30 years of experience in the field.

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