

WHAT IS ADAMS SCHOOL DISTRICT HIDING?



Only \$1.5 million of Adams School District's retirement debt is reported on its balance sheet; \$762 million in debt is hidden.

Once these hidden debts are counted Adams school district's balance sheet doesn't look so great. In fact, Adams 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, \$762 million of retirement debt. If this is included, the district has a \$721 million shortfall, which represents compensation and other costs that have been pushed into the future.

ADAMS SCHOOL DISTRICT'S BILLS EXCEED ITS ASSETS

\$151 Million
ASSETS

\$872 Million
BILLS

ADAMS IS A SINKHOLE DISTRICT

The District's Bills Exceed Its Assets

Assets	\$726,998,270
Less: Capital Assets	\$544,704,239
Restricted Assets	\$30,944,263
Assets Available to Pay Bills	\$151,349,768
Less: Bills	\$872,253,674
Money Needed to Pay Bills	\$720,903,906
Each Taxpayer's* Burden	\$9,560

Adams school district has \$727 million in assets, but most of these assets are not available to pay district bills.

The \$545 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$31 million of the assets is restricted by law or contract.

That leaves \$151 million of district's assets available to pay \$872 million of bills as they come due.

The \$721 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 \$9,560.



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 Adams Has Accumulated

Bonds	\$383,254,777
Other Liabilities	\$115,477,508
Less: Debt Related to Capital Assets	\$389,680,741
Unfunded Pension Benefits	\$722,820,158
Unfunded Retirees' HealthCare Benefits	\$40,381,972
Bills	\$872,253,674

Despite the balanced budget requirement, Adams has accumulated bonds of \$383 million and other liabilities of \$115 million. The calculation of assets available to pay bills does not include capital assets, so \$390 million of related debt is removed from the calculation of Adams' bills.

Unfunded employees' retirement benefits represent 87% of district bills. These unfunded liabilities have accumulated because Adams employees have been promised \$723 million of pension benefits and \$40 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	\$1,506,744
Unreported Retirement Liabilities	\$761,695,386
Total Retirement Liabilities	\$763,202,130

A detailed study of Adams actuaries' schedules found retirement benefits totaling \$763 million have been promised, but not funded. A review of the district's balance sheet determined only 1.5 million of these liabilities are reported. This means the district does not report \$762 million of retirement liabilities on its balance sheet.

Data is derived from the Adams 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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