None of Adams-Arapahoe’s retirement debt is reported on its balance sheet; $726 million in debt is hidden.

Once these hidden debts are counted, Adam-Arapahoe school district’s balance sheet doesn’t look so great. In fact, the school district is sinking in debt. One of the reasons Adams-Arapahoe school district is in this precarious financial position is the monkey business used to report finances and hide the colossal gorilla in the room, $726 million of retirement debt. If this debt is included, the district has a $703 million shortfall, which represents compensation and other costs, which have been pushed into the future.

ADAMS-ARAPAHOE’S BILLS EXCEED ITS ASSETS
Adams-Arapahoe has $555 million in assets, but most of these assets are not available to pay district bills.

The $387 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $43 million of the assets is restricted by law or contract.

That leaves $125 million of district’s assets available to pay $828 million of bills as they come due.

The $703 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 $9,866.

A detailed study of Adams-Arapahoe’s actuaries’ schedules found retirement benefits totaling $726 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 $726 billion of retirement liabilities on its balance sheet.

Data is derived from Colorado’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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