

WHAT IS LITTLETON SCHOOL DISTRICT HIDING?



None of Littleton School District's retirement debt is reported on its balance sheet; \$295 million in debt is hidden.

Once these hidden debts are counted Littleton school district's balance sheet doesn't look so great. In fact, Littleton 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, \$295 million of retirement debt. If this debt is included, the district has a \$260 million shortfall, which represents compensation and other costs that have been pushed into the future.

LITTLETON SCHOOL DISTRICT'S BILLS EXCEED ITS ASSETS

\$60 Million
ASSETS

\$320 Million
BILLS

LITTLETON IS A SINKHOLE DISTRICT

The District's Bills Exceed Its Assets

Assets	\$181,177,901
<i>Less: Capital Assets</i>	\$107,421,061
<i>Restricted Assets</i>	\$13,910,398
Assets Available to Pay Bills	\$59,846,442
<i>Less: Bills</i>	\$319,630,289
Money Needed to Pay Bills	\$259,783,847
Each Taxpayer's* Burden	\$8,475

Littleton school district has \$181 million in assets, but most of these assets are not available to pay district bills.

The \$107 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$13 million of the assets is restricted by law or contract.

That leaves \$60 million of district's assets available to pay \$320 million of bills as they come due.

The \$260 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 \$8,475.



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 Littleton Has Accumulated

Bonds	\$84,668,188
Other Liabilities	\$27,122,427
<i>Less: Debt Related to Capital Assets</i>	\$86,756,510
Unfunded Pension Benefits	\$279,129,668
Unfunded Retirees' HealthCare Benefits	\$15,466,516
Bills	\$319,630,289

Despite the balanced budget requirement, Littleton has accumulated bonds of \$85 million and other liabilities of \$27 million. The calculation of assets available to pay bills does not include capital assets, so \$87 million of related debt is removed from the calculation of Littleton's bills.

Unfunded employees' retirement benefits represent 92% of district bills. These unfunded liabilities have accumulated because Littleton employees have been promised \$279 million of pension benefits and \$16 million of retirees' health care benefits, but the school 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	\$294,596,184
Total Retirement Liabilities	\$294,596,184

A detailed study of Littleton's actuaries' schedules found retirement benefits totaling \$295 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 \$295 million of retirement liabilities on its balance sheet.

Data is derived from the County of Littleton'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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