
LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

AVONDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:
Business and Finance Department

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

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INTRODUCTORY SECTION

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December 3, 2014

Citizens and Governing Board
 Littleton Elementary School District No. 65
 1600 S. 107th Avenue
 Avondale, Arizona 85323

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Littleton Elementary School District No. 65 (District) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight, with a current enrollment of 5,172.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. As of August 1st, there is one vacant seat on the Governing Board. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

The District was organized in 1912 and is located about 15 miles west of downtown Phoenix. The District boundaries encompass approximately 30 square miles, which include portions of the City of Phoenix, the City of Avondale and the City of Tolleson. The unincorporated City of Cashion is also included in the District. The District is included in the area served by the Tolleson Union High School District No. 214.

Avondale is located in the southwestern portion of the metropolitan Phoenix area and in the central portion of the County, contiguous to the communities of Litchfield Park to the north, Phoenix to the north and east, Tolleson to the east and Goodyear to the north and west. Unique to Avondale is the convergence of the Gila, Salt and Agua Fria rivers within Avondale. The Phoenix International Raceway is also included in the boundaries for the District. Avondale was incorporated in 1946 and is considered one of the fastest growing residential areas in the County. The population statistics for the City of Avondale according to the 2000 Census was 35,883 and the 2012 Special Census and Estimate was 78,256.

Due to the District's close proximity to the Phoenix Metropolitan area and its strategic location on the I-10 corridor, it is included in the westward expansion of the City. Although agriculture has been the economic mainstay of the area for many years, the attraction of commerce, light manufacturing and residential development are contributing to the District's growth and economic diversity. Home building over the last decade within the District boundaries saw a steady increase, although in the last few years it has been stagnant. This growth affected student population and since 2002 enrollment increased from 1,367 to the current enrollment of 5,172 students.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. Avondale is developing from an agriculturally based community into a center for commerce and light industry. Avondale's economy is a mix of services, retail and manufacturing. Avondale has two employment corridors that are able to access a labor pool of more than a million employees within a 30-minute commute. The I-10 Corridor and the

Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center that includes a 16,000 square foot Hilton complex. Avondale continues to work to bring in a diversified, high quality employment base. In addition to office plazas, retail centers and one of the state's largest automalls (Avondale Automall), the city has found its niche with medical-related offices and health-related centers. With two hospitals on its border and a Phoenix Children's Hospital in the West Valley, medical-related professions thrive in the community. New housing starts declined beginning in 2009 due to the state of the economy in Arizona but it is anticipated that a gradual increase will be realized over the next few years. The city is governed by a mayor and six council members.

The Phoenix metropolitan area and the rest of Maricopa County had been one of the fastest growing regional markets in the United States. The slow economic climate statewide has affected growth within the District. Recovery is expected to be slow at first with true growth returning in as little as two to three years. The number of manufacturing and wholesale business located in the metropolitan area is approaching 3,000. This growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2013 population was estimated at 3,944,859 and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

Service is the largest employment sector in the County, partly fueled by the \$2+ billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Long-term Financial Planning. The District opened its seventh elementary school, Tres Rios, in August 2008 and closed an existing middle school, Underdown. The District adopted a new vision to have all schools be kindergarten through 8th grade. The campus that was closed is now seeing new life as the site for the new district administration facility, which was completed in December 2009. New Schools are funded primarily through the Arizona School Facilities Board. The average age of the school buildings is 25 years.

The District sold \$7.8 million in bonds in June of 2008 to finance the District portion of new elementary campuses, as well as additional classroom space, renovations, school bus purchases, and construction of a new District administrative building. In July of 2010, the District sold \$7.6 million in bonds to finance additional renovations at each school site and the purchase of land for future schools and school bus purchases.

After years of growth, the District experienced a flat line in student numbers during the 2009-2010 school year as development of new housing has slowed throughout the District, but for the 2010-2011 school year the enrollment has stabilized. The secondary assessed value has grown at an average rate of 21 percent over the last 10 years and has decreased over the last three years, but it is stabilizing.

The District continues to see student growth as the projected enrollment is expected to exceed the current student count of 5,172. This is a 2 percent increase over this same time last year and a 4 percent increase from this same point 2 years ago. Estimates indicate that a 1-3 percent growth rate will continue for the next 3 – 5 years.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fourth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2013-14 certificates.

Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Roger S. Freeman, Ed.D.
Superintendent



Phyllis Kinder
Executive Director for Business Services

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Littleton Elementary School District No. 65

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Handwritten signature of Terrie S. Simmons in black ink.

Terrie S. Simmons, RSBA, CSBO
President

Handwritten signature of John D. Musso in black ink.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Littleton Elementary School
District No. 65, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



2013-2014

COMMUNITY

GOVERNING BOARD

LEADERS

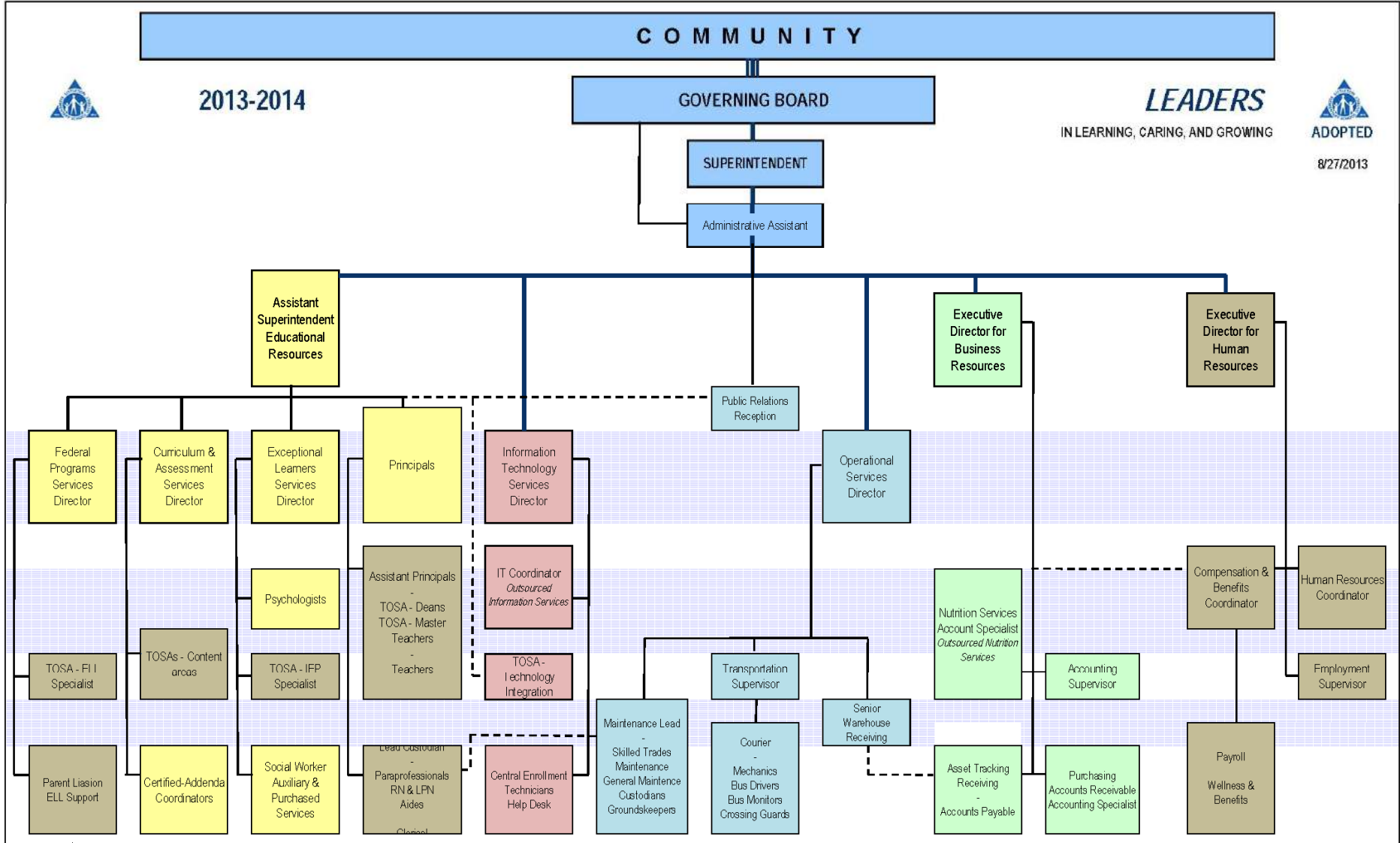
IN LEARNING, CARING, AND GROWING



ADOPTED

8/27/2013

III



Guiding Principles: Every Student a Learner; Safe and Orderly Environment; Families as Partners; Competent, Dedicated and Caring Staff; A Meaningfully Involved Community; and A Highly Effective Organization

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Sandi Nielson
President

Michael Pineda
Vice President

Kathy Reyes
Member

Amy Soucinek
Member

ADMINISTRATIVE STAFF

Roger S. Freeman, Ed.D.
Superintendent

Gary Londer, Ed.D.
Assistant Superintendent

Phyllis Kinder
Executive Director for Business Resources

Lisa Kelley
Executive Director for Human Resources

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Littleton Elementary School District No. 65

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Littleton Elementary School District No. 65 (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Littleton Elementary School District No. 65, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of Littleton Elementary School District No. 65's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Littleton Elementary School District No. 65's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 3, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

As management of the Littleton Elementary School District No. 65 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.9 million, which represents a 3 percent increase from the prior fiscal year.
- General revenues accounted for \$35.9 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9.5 million, or 21 percent of total current fiscal year revenues.
- The District had approximately \$43.5 million in expenses related to governmental activities, an increase of 13 percent from the prior fiscal year primarily due to an increase in instructional expenses as a result of an increase in student enrollment.
- Among major funds, the General Fund had \$31.8 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$31.5 million in expenditures. The General Fund's fund balance increased from \$5.4 million at the prior fiscal year end to \$6.3 million at the end of the current fiscal year which was primarily due to an increase in state aid.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Food Service, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances - budget and actual has been provided for the General Fund and Food Service Fund as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$67.5 million at the current fiscal year end.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013
Current and other assets	\$ 16,238,239	\$ 15,439,400
Capital assets, net	68,880,560	69,390,458
Total assets	<u>85,118,799</u>	<u>84,829,858</u>
Current and other liabilities	2,510,258	2,318,326
Long-term liabilities	15,082,615	16,934,437
Total liabilities	<u>17,592,873</u>	<u>19,252,763</u>
Net position:		
Net investment in capital assets	54,642,657	54,943,512
Restricted	6,437,446	4,780,727
Unrestricted	6,445,823	5,852,856
Total net position	<u>\$ 67,525,926</u>	<u>\$ 65,577,095</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

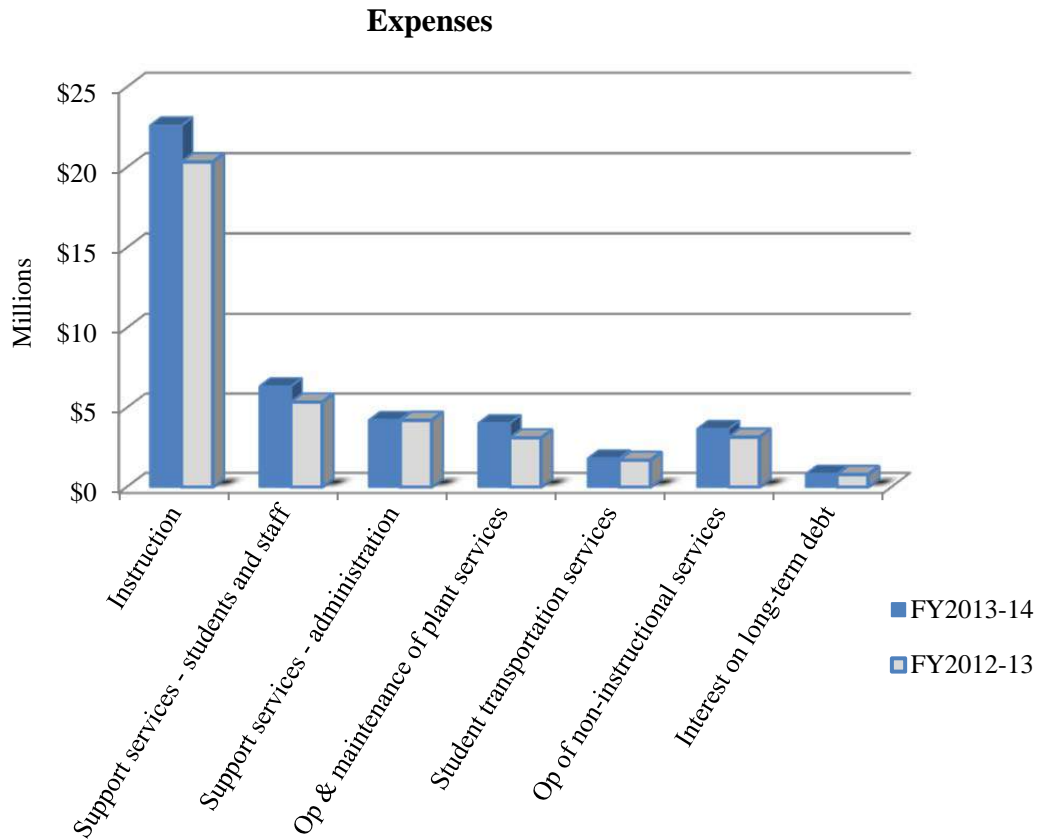
- The principal retirement of \$1.9 million of bonds.
- Accumulated depreciation increased \$2.3 million.

Changes in net position. The District's total revenues for the current fiscal year were \$45.4 million. The total cost of all programs and services was \$43.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Revenues:		
Program revenues:		
Charges for services	\$ 841,400	\$ 779,029
Operating grants and contributions	8,357,119	5,852,233
Capital grants and contributions	322,790	226,356
General revenues:		
Property taxes	12,037,863	9,931,447
Investment income	34,573	53,547
Unrestricted county aid	2,006,377	1,813,870
Unrestricted state aid	21,689,531	19,031,022
Unrestricted federal aid	112,606	149,969
Total revenues	45,402,259	37,837,473
Expenses:		
Instruction	22,603,709	20,339,637
Support services – students and staff	6,344,537	5,346,160
Support services – administration	4,211,655	4,201,845
Operation and maintenance of plant services	4,016,325	3,095,103
Student transportation services	1,798,976	1,680,250
Operation of non-instructional services	3,655,958	3,139,568
Interest on long-term debt	822,268	780,290
Total expenses	43,453,428	38,582,853
Changes in net position	1,948,831	(745,380)
Net position, beginning	65,577,095	66,322,475
Net position, ending	\$ 67,525,926	\$ 65,577,095

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following is a significant current year transaction that has had an impact on the change in net position.

- Increase in operating grants and contributions of \$2.5 million primarily due to an overall increase in Federal program funding.
- Increase in property taxes of \$2.1 million due to an increase in property tax rates.
- Increase in unrestricted state aid of \$2.7 million due to an increase in enrollment.
- Increase in expenses for instruction of \$2.3 million due to an increase in enrollment.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Year Ended June 30, 2014		Year Ended June 30, 2013	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 22,603,709	\$ (20,038,946)	\$ 20,339,637	\$ (18,714,724)
Support services – students and staff	6,344,537	(5,326,097)	5,346,160	(4,459,845)
Support services – administration	4,211,655	(3,941,205)	4,201,845	(3,987,263)
Operation and maintenance of plant services	4,016,325	(3,311,018)	3,095,103	(2,953,444)
Student transportation services	1,798,976	(1,657,004)	1,680,250	(1,622,081)
Operation of non-instructional services	3,655,958	914,386	3,139,568	531,595
Interest on long-term debt	822,268	(572,235)	780,290	(519,473)
Total	\$ 43,453,428	\$ (33,932,119)	\$ 38,582,853	\$ (31,725,235)

- The cost of all governmental activities this year was \$43.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.5 million.
- Net cost of governmental activities of \$33.9 million was financed by general revenues, which are made up of primarily property taxes of \$12.0 million and state aid of \$21.7 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$11.2 million, an increase of \$733,266.

The General Fund comprises 56 percent of the total fund balance. Approximately \$4.1 million, or 65 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$918,742 in the General Fund to \$6.3 million as of fiscal year end was primarily a result of an increase in property taxes due to an increase in the tax rate. General Fund expenditures increased \$3.4 million.

Fund balance of the Food Service Fund increased \$704,204 due to an increase in federal grant reimbursements.

Fund balance of the Debt Service Fund decreased \$59,632 due to the retirement of long-term debt.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to an increase in membership during the year. The difference between the original budget and the final amended budget was a \$1.0 million increase, or 4 percent. Significant variances for the final amended budget and actual revenues resulted from the District no longer being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variance is summarized as follows:

- The favorable variance of \$761,832 in Instruction was a result of increased budget capacity as a result of student growth.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$86.9 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.6 million from the prior fiscal year, primarily due to the completion of various buildings and improvement projects. Total depreciation expense for the current fiscal year was \$2.3 million.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	<u>As of June 30, 2014</u>	<u>As of June 30, 2013</u>
Capital assets – non-depreciable	\$ 6,884,709	\$ 6,766,568
Capital assets – depreciable, net	61,995,851	62,623,890
Total	<u>\$ 68,880,560</u>	<u>\$ 69,390,458</u>

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year-end, the District had \$14.3 million in long-term debt outstanding, \$1.7 million due within one year. This represents a net decrease of \$1.8 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$30.6 million and the Class B debt limit is \$20.4 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8-10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2014-15 budget. Among them:

- Fiscal year 2013-14 budget balance carry forward (estimated \$793,198).
- District student population (estimated 5,172).

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased 4 percent to \$30.8 million in fiscal year 2014-15 primarily due to estimated student growth. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2014-15 budget.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Littleton Elementary School District No. 65, 1600 South 107th Avenue, Avondale, Arizona 85323.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 6,679,955
Property taxes receivable	787,840
Due from governmental entities	7,784,508
Prepaid items	920,922
Deposits	65,014
Total current assets	16,238,239
Noncurrent assets:	
Land	6,766,568
Land improvements	1,020,390
Buildings and improvements	72,635,658
Vehicles, furniture and equipment	6,330,327
Construction in progress	118,141
Accumulated depreciation	(17,990,524)
Total noncurrent assets	68,880,560
Total assets	85,118,799
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	557,859
Construction contracts payable	59,788
Credit line payable	1,419,000
Accrued payroll and employee benefits	84,597
Compensated absences payable	100,000
Accrued interest payable	321,029
Unearned revenues	67,985
Obligations under capital leases	88,125
Bonds payable	1,640,000
Total current liabilities	4,338,383
Noncurrent liabilities:	
Non-current portion of long-term obligations	13,254,490
Total noncurrent liabilities	13,254,490
Total liabilities	17,592,873
<u>NET POSITION</u>	
Net investment in capital assets	54,642,657
Restricted for:	
Voter approved initiatives	1,555,423
Federal and state projects	353,780
Food service	1,564,987
Civic center	224,310
Community school	167,385
Other local initiatives	181,337
Debt service	276,273
Capital outlay	2,113,951
Unrestricted	6,445,823
Total net position	\$ 67,525,926

The notes to the basic financial statements are an integral part of this statement.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 22,603,709	\$ 204,209	\$ 2,037,764	\$ 322,790	\$ (20,038,946)
Support services - students and staff	6,344,537	81,445	936,995		(5,326,097)
Support services - administration	4,211,655	40,119	230,331		(3,941,205)
Operation and maintenance of plant services	4,016,325	62,810	642,497		(3,311,018)
Student transportation services	1,798,976	55,412	86,560		(1,657,004)
Operation of non-instructional services	3,655,958	397,405	4,172,939		914,386
Interest on long-term debt	822,268		250,033		(572,235)
Total governmental activities	<u>\$ 43,453,428</u>	<u>\$ 841,400</u>	<u>\$ 8,357,119</u>	<u>\$ 322,790</u>	<u>(33,932,119)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	9,609,885
Property taxes, levied for debt service	1,985,130
Property taxes, levied for capital outlay	442,848
Investment income	34,573
Unrestricted county aid	2,006,377
Unrestricted state aid	21,689,531
Unrestricted federal aid	112,606

Total general revenues

35,880,950

Changes in net position

1,948,831

Net position, beginning of year

65,577,095

Net position, end of year

\$ 67,525,926

The notes to the basic financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Food Service	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 9,566	\$ 1,431,856	\$ 2,088,909
Property taxes receivable	701,677		32,282
Due from governmental entities	6,735,237	177,236	116,111
Due from other funds	303,911		
Prepaid items	920,922		
Deposits		65,014	
Total assets	\$ 8,671,313	\$ 1,674,106	\$ 2,237,302
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 224,277	\$ 109,119	\$
Construction contracts payable			
Credit line payable	1,419,000		
Due to other funds			
Accrued payroll and employee benefits	84,597		
Unearned revenues			
Bonds payable			1,640,000
Bond interest payable			321,029
Total liabilities	1,727,874	109,119	1,961,029
Deferred inflows of resources:			
Unavailable revenues - property taxes	651,465		21,657
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	651,465		21,657
Fund balances:			
Nonspendable	920,922		
Restricted	1,308,714	1,564,987	254,616
Unassigned	4,062,338		
Total fund balances	6,291,974	1,564,987	254,616
 Total liabilities, deferred inflows of resources and fund balances	 \$ 8,671,313	 \$ 1,674,106	 \$ 2,237,302

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,149,624	\$ 6,679,955
53,881	787,840
755,924	7,784,508
	303,911
	920,922
	65,014
<u>\$ 3,959,429</u>	<u>\$ 16,542,150</u>

\$ 224,463	\$ 557,859
59,788	59,788
	1,419,000
303,911	303,911
	84,597
67,985	67,985
	1,640,000
	321,029
<u>656,147</u>	<u>4,454,169</u>

51,785	724,907
154,741	154,741
<u>206,526</u>	<u>879,648</u>

	920,922
3,096,756	6,225,073
	4,062,338
<u>3,096,756</u>	<u>11,208,333</u>

<u>\$ 3,959,429</u>	<u>\$ 16,542,150</u>
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**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Total governmental fund balances **\$ 11,208,333**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 86,871,084	
Less accumulated depreciation	<u>(17,990,524)</u>	68,880,560

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	724,907	
Intergovernmental	<u>154,741</u>	879,648

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (122,765)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(828,902)	
Obligations under capital leases	(645,948)	
Bonds payable	<u>(11,845,000)</u>	<u>(13,319,850)</u>

Net position of governmental activities **\$ 67,525,926**

The notes to the basic financial statements are an integral part of this statement.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 2,203,544	\$ 402,954	\$ 6,279
Property taxes	9,684,323		1,983,879
State aid and grants	19,830,849		
Federal aid, grants and reimbursements	130,416	4,172,939	232,223
Total revenues	<u>31,849,132</u>	<u>4,575,893</u>	<u>2,222,381</u>
Expenditures:			
Current -			
Instruction	16,513,130		
Support services - students and staff	4,900,986		
Support services - administration	3,542,415		
Operation and maintenance of plant services	3,061,116		
Student transportation services	1,307,790		
Operation of non-instructional services	18,768	3,553,616	
Capital outlay	2,068,355	18,953	
Debt service -			
Principal retirement	81,621		1,640,000
Interest and fiscal charges	55,295		644,208
Total expenditures	<u>31,549,476</u>	<u>3,572,569</u>	<u>2,284,208</u>
Excess (deficiency) of revenues over expenditures	<u>299,656</u>	<u>1,003,324</u>	<u>(61,827)</u>
Other financing sources (uses):			
Transfers in	383,117		2,195
Transfers out		(299,120)	
Total other financing sources (uses):	<u>383,117</u>	<u>(299,120)</u>	<u>2,195</u>
Changes in fund balances	<u>682,773</u>	<u>704,204</u>	<u>(59,632)</u>
Fund balances, beginning of year	5,373,232	860,783	314,248
Increase (decrease) in reserve for prepaid items	235,969		
Fund balances, end of year	<u>\$ 6,291,974</u>	<u>\$ 1,564,987</u>	<u>\$ 254,616</u>

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 309,769	\$ 2,922,546
410,761	12,078,963
2,270,300	22,101,149
3,650,382	8,185,960
<u>6,641,212</u>	<u>45,288,618</u>
2,963,247	19,476,377
1,059,406	5,960,392
253,956	3,796,371
688,605	3,749,721
82,653	1,390,443
2,337,201	3,572,384
	4,424,509
	1,721,621
	699,503
<u>7,385,068</u>	<u>44,791,321</u>
<u>(743,856)</u>	<u>497,297</u>
	385,312
<u>(86,192)</u>	<u>(385,312)</u>
<u>(86,192)</u>	
<u>(830,048)</u>	<u>497,297</u>
3,926,804	10,475,067
	235,969
<u>\$ 3,096,756</u>	<u>\$ 11,208,333</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Net changes in fund balances - total governmental funds **\$ 733,266**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 1,888,133	
Less current year depreciation	<u>(2,293,449)</u>	(405,316)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(41,100)	
Intergovernmental	<u>154,741</u>	113,641

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	81,621	
Bond principal retirement	<u>1,640,000</u>	1,721,621

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(104,582)	
Amortization of deferred bond items	(122,765)	
Compensated absences	<u>12,966</u>	<u>(214,381)</u>

Change in net position in governmental activities **\$ 1,948,831**

The notes to the basic financial statements are an integral part of this statement.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 54,319
Total assets	\$ 54,319
 <u>LIABILITIES</u>	
Accounts payable	\$ 13,109
Due to student groups	41,210
Total liabilities	\$ 54,319

The notes to the basic financial statements are an integral part of this statement.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Littleton Elementary School District No. 65 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted Federal, State and County aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, State and County aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Food Service Fund – The Food Service Fund accounts for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Tax Calendar

Property tax levies are calculated by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10 percent from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and construction in progress, are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	15 - 50 years
Vehicles, furniture and equipment	5 - 20 years

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

N. Net Position Flow Assumption

In the government-wide financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

O. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District’s fund balance classifications at year end.

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 920,922	\$	\$	\$
Restricted:				
Debt service			254,616	
Capital projects	1,308,714			753,452
Bond building projects				15,810
Voter approved initiatives				1,555,423
Federal and State projects				199,039
Food service		1,564,987		
Civic center				224,310
Community school				167,385
Other purposes				181,337
Unassigned	4,062,338			
Total fund balances	<u>\$ 6,291,974</u>	<u>\$ 1,564,987</u>	<u>\$ 254,616</u>	<u>\$ 3,096,756</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, however this does not constitute a violation of any legal provisions.

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$23,363 and the bank balance was \$1,004,352. At year end, \$726,342 of the District’s deposits were covered by collateral held by the pledging financial institution in the District’s name and \$28,010 was uninsured and uncollateralized.

The County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in the County Treasurer investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments.

At year end, the District’s investments consisted of the following.

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	374 days	<u>\$ 6,710,911</u>
Total		<u>\$ 6,710,911</u>

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk - Investments. The District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District’s individual major funds and non-major governmental funds in the aggregate, were as follows.

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:				
Due from Federal government	\$	\$ 177,236	\$ 116,111	\$ 670,333
Due from State government	<u>6,735,237</u>			<u>85,591</u>
Net due from governmental entities	<u>\$ 6,735,237</u>	<u>\$ 177,236</u>	<u>\$ 116,111</u>	<u>\$ 755,924</u>

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 6,766,568	\$	\$	\$ 6,766,568
Construction in progress		<u>118,141</u>		<u>118,141</u>
Total capital assets, not being depreciated	<u>6,766,568</u>	<u>118,141</u>		<u>6,884,709</u>
Capital assets, being depreciated:				
Land improvements	1,007,927	12,463		1,020,390
Buildings and improvements	71,624,606	1,011,052		72,635,658
Vehicles, furniture and equipment	<u>5,901,627</u>	<u>746,477</u>	<u>317,777</u>	<u>6,330,327</u>
Total capital assets being depreciated	<u>78,534,160</u>	<u>1,769,992</u>	<u>317,777</u>	<u>79,986,375</u>
Less accumulated depreciation for:				
Land improvements	(722,820)	(42,015)		(764,835)
Buildings and improvements	(12,146,598)	(1,746,075)		(13,892,673)
Vehicles, furniture and equipment	<u>(3,040,852)</u>	<u>(505,359)</u>	<u>(213,195)</u>	<u>(3,333,016)</u>
Total accumulated depreciation	<u>(15,910,270)</u>	<u>(2,293,449)</u>	<u>(213,195)</u>	<u>(17,990,524)</u>
Total capital assets, being depreciated, net	<u>62,623,890</u>	<u>(523,457)</u>	<u>104,582</u>	<u>61,995,851</u>
Governmental activities capital assets, net	<u>\$ 69,390,458</u>	<u>\$ (405,316)</u>	<u>\$ 104,582</u>	<u>\$ 68,880,560</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,698,211
Support services – students and staff	58,101
Support services – administration	210,751
Operation and maintenance of plant services	117,423
Student transportation services	175,939
Operation of non-instructional services	33,024
Total depreciation expense – governmental activities	\$ 2,293,449

Construction Commitments – At year end, the District had contractual commitments related to various capital projects. At year end, the District had spent \$118,141 on the projects and had estimated remaining contractual commitments of \$11,000. These projects are being funded with monies from the Adjacent Ways Fund.

NOTE 7 – SHORT TERM DEBT – LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit. Short-term debt activity for the current fiscal year, was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ 1,338,000	\$ 19,253,000	\$ 19,172,000	\$ 1,419,000

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired energy upgrades under the provision of a long-term lease agreement classified as a capital lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligation. The District receives a Federal interest subsidy to fund the interest payments for the District-wide energy project.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)

The assets acquired through capital leases that meet the District's capitalization threshold are as follows.

	Governmental Activities
Asset:	
Building improvements	\$ 993,716
Less: Accumulated depreciation	207,024
Total	\$ 786,692

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows.

		Governmental Activities
Year Ending June 30:		
2015		\$ 136,917
2016		136,917
2017		136,916
2018		136,917
2019		136,917
2020		136,916
Total minimum lease payments		821,500
Less: amount representing interest		175,552
Present value of minimum lease payments		645,948
Due within one year		\$ 88,125

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation and refunding bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District’s school improvements bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2014</u>	<u>Due Within One Year</u>
Governmental activities:					
General Obligation Refunding Bonds, Series 2001	\$ 1,230,000	5.0%	7/1/14	\$ 275,000	\$ 275,000
School Improvement Bonds, Project of 2006, Series A (2007)	8,000,000	4.0%	7/1/14-15	315,000	315,000
School Improvement Bonds, Project of 2006, Series B (2007)	7,830,000	3.5-4.0%	7/1/14-20	5,905,000	750,000
School Improvement Bonds, Project of 2009 Series A-1 (2010)	4,600,000	6.623%	7/1/18-27	4,600,000	
School Improvement Bonds, Project of 2009 Series A-2 (2010)	3,000,000	3.0-4.0%	7/1/14-17	2,390,000	300,000
Total				<u>\$ 13,485,000</u>	<u>\$ 1,640,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows.

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,640,000	\$ 611,258
2016	1,450,000	554,833
2017	1,500,000	499,208
2018	1,565,000	441,533
2019	1,325,000	381,456
2020-24	4,135,000	1,069,342
2025-28	1,870,000	249,357
Total	<u>\$ 13,485,000</u>	<u>\$ 3,806,987</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$265,000 of defeased bonds are still outstanding.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 15,365,000	\$	\$ 1,880,000	\$ 13,485,000	\$ 1,640,000
Premium		152,810	30,045	122,765	
Total bonds payable	<u>15,365,000</u>	<u>152,810</u>	<u>1,910,045</u>	<u>13,607,765</u>	<u>1,640,000</u>
Obligations under capital leases	727,569		81,621	645,948	88,125
Compensated absences payable	841,868	381,680	394,646	828,902	100,000
Governmental activity long-term liabilities	<u>\$ 16,934,437</u>	<u>\$ 534,490</u>	<u>\$ 2,386,312</u>	<u>\$ 15,082,615</u>	<u>\$ 1,828,125</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

At year end, several Non-Major Governmental Funds had negative cash balances in the Treasurer's pooled cash accounts of \$303,911. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

Interfund transfers:

	Transfers in		
	General Fund	Debt Service Fund	Total
<u>Transfers out</u>			
Food Service Fund	\$ 299,120	\$	\$ 299,120
Non-Major Governmental Funds	83,997	2,195	86,192
<u>Total</u>	<u>\$ 383,117</u>	<u>\$ 2,195</u>	<u>\$ 385,312</u>

Transfers between funds were used to 1) move investment income and premium earned in the Bond Building Fund, that are required by statute to be expended in the Debt Service Fund and 2) to move Federal grant funds restricted for indirect costs.

NOTE 12 – CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

Performance Audit – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. section 41-1279.03.A. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

Lease-to-Own Agreement – The Arizona School Facilities Board (SFB) entered into a lease in January 2003 to finance costs of the District’s new school facilities pursuant to A.R.S. 15-2004, 15-2005 and 15-2006. The SFB is required to make all lease payments, however if the SFB does not make the lease payments, the District has the option to make payments on behalf of the SFB to ensure the facilities do not revert back to the lessor.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District's employees have health and accident insurance coverage with the Valley Schools Employee Benefit Trust (VSEBT). VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium equivalent to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Plan Description – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2014	\$ 2,366,582	\$ 132,706	\$ 53,082
2013	2,076,651	131,690	48,624
2012	1,792,601	114,421	43,589

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
(Required Supplementary Information)**

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,024,433	\$ 2,024,433
Property taxes			7,754,844	7,754,844
State aid and grants			19,830,849	19,830,849
Total revenues			<u>29,610,126</u>	<u>29,610,126</u>
Expenditures:				
Current -				
Instruction	17,044,304	17,538,257	16,776,425	761,832
Support services - students and staff	3,836,466	4,239,096	4,496,807	(257,711)
Support services - administration	3,249,569	3,381,269	3,398,504	(17,235)
Operation and maintenance of plant services	3,207,579	3,210,680	3,053,623	157,057
Student transportation services	1,339,292	1,339,292	1,240,787	98,505
Operation of non-instructional services	30,821	30,821	14,534	16,287
Total expenditures	<u>28,708,031</u>	<u>29,739,415</u>	<u>28,980,680</u>	<u>758,735</u>
Excess (deficiency) of revenues over expenditures	<u>(28,708,031)</u>	<u>(29,739,415)</u>	<u>629,446</u>	<u>30,368,861</u>
Other financing sources (uses):				
Transfers in			2,367,722	2,367,722
Total other financing sources (uses):			<u>2,367,722</u>	<u>2,367,722</u>
Changes in fund balances	<u>(28,708,031)</u>	<u>(29,739,415)</u>	<u>2,997,168</u>	<u>32,736,583</u>
Fund balances (deficits), beginning of year			(1,079,842)	(1,079,842)
Increase (decrease) in reserve for prepaid items			585,969	585,969
Fund balances (deficits), end of year	<u>\$ (28,708,031)</u>	<u>\$ (29,739,415)</u>	<u>\$ 2,503,295</u>	<u>\$ 32,242,710</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 402,954	\$ 402,954
Federal aid, grants and reimbursements			4,172,939	4,172,939
Total revenues			<u>4,575,893</u>	<u>4,575,893</u>
Expenditures:				
Current -				
Operation of non-instructional services	3,383,858	3,433,858	3,553,616	(119,758)
Capital outlay			18,953	(18,953)
Total expenditures	<u>3,383,858</u>	<u>3,433,858</u>	<u>3,572,569</u>	<u>(138,711)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,383,858)</u>	<u>(3,433,858)</u>	<u>1,003,324</u>	<u>4,437,182</u>
Other financing sources (uses):				
Transfers out			(299,120)	(299,120)
Total other financing sources (uses):			<u>(299,120)</u>	<u>(299,120)</u>
Changes in fund balances	<u>(3,383,858)</u>	<u>(3,433,858)</u>	<u>704,204</u>	<u>4,138,062</u>
Fund balances, beginning of year			860,783	860,783
Fund balances (deficits), end of year	<u>\$ (3,383,858)</u>	<u>\$ (3,433,858)</u>	<u>\$ 1,564,987</u>	<u>\$ 4,998,845</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.

The following schedule reconciles expenditures and fund balances at the end of year.

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 31,549,476	\$ 6,291,974
Activity budgeted as special revenue funds	(1,005,100)	(2,479,965)
Activity budgeted as capital projects funds	(1,913,696)	(1,308,714)
Current-year prepaid items	350,000	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 28,980,680	\$ 2,503,295

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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GOVERNMENTAL FUNDS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,322,670	\$ 826,954	\$ 3,149,624
Property taxes receivable		53,881	53,881
Due from governmental entities	<u>755,924</u>		<u>755,924</u>
Total assets	<u><u>\$ 3,078,594</u></u>	<u><u>\$ 880,835</u></u>	<u><u>\$ 3,959,429</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 224,463	\$ 59,788	\$ 224,463
Construction contracts payable		59,788	59,788
Due to other funds	303,911		303,911
Unearned revenues	<u>67,985</u>		<u>67,985</u>
Total liabilities	<u><u>596,359</u></u>	<u><u>59,788</u></u>	<u><u>656,147</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		51,785	51,785
Unavailable revenues - intergovernmental	<u>154,741</u>		<u>154,741</u>
Total deferred inflows of resources	<u><u>154,741</u></u>	<u><u>51,785</u></u>	<u><u>206,526</u></u>
Fund balances:			
Restricted	<u>2,327,494</u>	<u>769,262</u>	<u>3,096,756</u>
Total fund balances	<u><u>2,327,494</u></u>	<u><u>769,262</u></u>	<u><u>3,096,756</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 3,078,594</u></u>	 <u><u>\$ 880,835</u></u>	 <u><u>\$ 3,959,429</u></u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 305,518	\$ 4,251	\$ 309,769
Property taxes		410,761	410,761
State aid and grants	2,270,300		2,270,300
Federal aid, grants and reimbursements	<u>3,650,382</u>		<u>3,650,382</u>
Total revenues	<u>6,226,200</u>	<u>415,012</u>	<u>6,641,212</u>
Expenditures:			
Current -			
Instruction	2,963,247		2,963,247
Support services - students and staff	1,059,406		1,059,406
Support services - administration	253,956		253,956
Operation and maintenance of plant services	688,605		688,605
Student transportation services	82,653		82,653
Capital outlay	<u>329,301</u>	<u>2,007,900</u>	<u>2,337,201</u>
Total expenditures	<u>5,377,168</u>	<u>2,007,900</u>	<u>7,385,068</u>
Excess (deficiency) of revenues over expenditures	<u>849,032</u>	<u>(1,592,888)</u>	<u>(743,856)</u>
Other financing sources (uses):			
Transfers out	<u>(83,997)</u>	<u>(2,195)</u>	<u>(86,192)</u>
Total other financing sources (uses):	<u>(83,997)</u>	<u>(2,195)</u>	<u>(86,192)</u>
Changes in fund balances	<u>765,035</u>	<u>(1,595,083)</u>	<u>(830,048)</u>
Fund balances, beginning of year	1,562,459	2,364,345	3,926,804
Fund balances, end of year	<u>\$ 2,327,494</u>	<u>\$ 769,262</u>	<u>\$ 3,096,756</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Instructional Improvement - to account for the activity of monies received from gaming revenue.

County, City and Town Grants - to account for monies received from county, city and town grants.

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Limited English & Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Homeless Education – to account for financial assistance received for the education of homeless students.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

Environmental Special Plate – to account for the proceeds received from the sale of environmental license plates.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

School Opening - to account for monies transferred in from the Maintenance and Operation Fund to be expended for maintenance and operation purposes incurred in the first year of operation of a new school within the District.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies received from Federal projects for administrative costs.

Insurance Refund - to account for insurance premium payments that are refunded to the District.

Advertisement - to account for monies received from the sale of advertising.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 1,173,188	\$ 296,644	\$ 576
Due from governmental entities		85,591	
Total assets	\$ 1,173,188	\$ 382,235	\$ 576
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Restricted	1,173,188	382,235	576
Total fund balances	1,173,188	382,235	576
 Total liabilities, deferred inflows of resources and fund balances	\$ 1,173,188	\$ 382,235	\$ 576

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$ 459	\$ 184,785	\$ 8,268	\$ 1,372	\$ 99,531	\$ 1,981
<u>\$ 459</u>	<u>\$ 184,785</u>	<u>\$ 22,228</u>	<u>\$ 1,372</u>	<u>\$ 99,531</u>	<u>\$ 1,981</u>
\$ 459	\$ 106,062	\$ 22,228	\$ 1,372	\$ 11,331	\$ 1,981
459	78,723			88,200	
<u>459</u>	<u>184,785</u>	<u>22,228</u>	<u>1,372</u>	<u>99,531</u>	<u>1,981</u>
<u>\$ 459</u>	<u>\$ 184,785</u>	<u>\$ 22,228</u>	<u>\$ 1,372</u>	<u>\$ 99,531</u>	<u>\$ 1,981</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	E-Rate	Other Federal Projects	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$ 118,711	\$	\$ 114,647
Due from governmental entities	102,446	266,258	
Total assets	\$ 221,157	\$ 266,258	\$ 114,647
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 47,121
Due to other funds		133,635	
Unearned revenues			67,526
Total liabilities		133,635	114,647
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	22,118	132,623	
Fund balances:			
Restricted	199,039		
Total fund balances	199,039		
 Total liabilities, deferred inflows of resources and fund balances	 \$ 221,157	 \$ 266,258	 \$ 114,647

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
\$ 262,031	\$ 167,385	\$ 83,261	\$ 338	\$ 22,991	\$ 15,019
<u>\$ 262,031</u>	<u>\$ 167,385</u>	<u>\$ 83,261</u>	<u>\$ 338</u>	<u>\$ 22,991</u>	<u>\$ 15,019</u>
\$ 37,721	\$	\$	\$	\$	\$
<u>37,721</u>					
224,310	167,385	83,261	338	22,991	15,019
<u>224,310</u>	<u>167,385</u>	<u>83,261</u>	<u>338</u>	<u>22,991</u>	<u>15,019</u>
<u>\$ 262,031</u>	<u>\$ 167,385</u>	<u>\$ 83,261</u>	<u>\$ 338</u>	<u>\$ 22,991</u>	<u>\$ 15,019</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Intergovernmental Agreements	Totals
<u>ASSETS</u>		
Cash and investments	\$ 59,152	\$ 2,322,670
Due from governmental entities		755,924
Total assets	\$ 59,152	\$ 3,078,594
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 224,463
Due to other funds		303,911
Unearned revenues		67,985
Total liabilities		596,359
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		154,741
Fund balances:		
Restricted	59,152	2,327,494
Total fund balances	59,152	2,327,494
 Total liabilities, deferred inflows of resources and fund balances	\$ 59,152	\$ 3,078,594

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 2,734	\$ 1,530	\$ 12,010
State aid and grants	1,656,153	202,529	
Federal aid, grants and reimbursements			
Total revenues	<u>1,658,887</u>	<u>204,059</u>	<u>12,010</u>
Expenditures:			
Current -			
Instruction	925,563	45,600	8,587
Support services - students and staff	52,834	148,804	1,134
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			2,013
Total expenditures	<u>978,397</u>	<u>194,404</u>	<u>11,734</u>
Excess (deficiency) of revenues over expenditures	<u>680,490</u>	<u>9,655</u>	<u>276</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>680,490</u>	<u>9,655</u>	<u>276</u>
Fund balances, beginning of year	492,698	372,580	300
Fund balances, end of year	<u>\$ 1,173,188</u>	<u>\$ 382,235</u>	<u>\$ 576</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	Homeless Education
\$ 178,133	\$ 954,642	\$ 87,186	\$ 138,961	\$ 627,344	\$ 26,745
<u>178,133</u>	<u>954,642</u>	<u>87,186</u>	<u>138,961</u>	<u>627,344</u>	<u>26,745</u>
176,883	426,076		55,091	401,327	
839	394,968	39,772	80,325	152,762	10,152
411	59,131	40,956	2,330	2,299	
	3,753			61,217	14,612
<u>178,133</u>	<u>883,928</u>	<u>80,728</u>	<u>137,746</u>	<u>624,295</u>	<u>24,764</u>
	70,714	6,458	1,215	3,049	1,981
	(70,714)	(6,458)	(1,215)	(3,049)	(1,981)
	<u>(70,714)</u>	<u>(6,458)</u>	<u>(1,215)</u>	<u>(3,049)</u>	<u>(1,981)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	E-Rate	Other Federal Projects	Other State Projects
Revenues:			
Other local	\$ 455	\$	\$
State aid and grants			233,485
Federal aid, grants and reimbursements	840,908	974,596	
Total revenues	841,363	974,596	233,485
Expenditures:			
Current -			
Instruction	1,994	870,480	3,917
Support services - students and staff	64,031	62,324	
Support services - administration	70,406	41,212	
Operation and maintenance of plant services	631,650		
Student transportation services			
Capital outlay	86,532		229,568
Total expenditures	854,613	974,016	233,485
Excess (deficiency) of revenues over expenditures	(13,250)	580	
Other financing sources (uses):			
Transfers out		(580)	
Total other financing sources (uses):		(580)	
Changes in fund balances	(13,250)		
Fund balances, beginning of year	212,289		
Fund balances, end of year	\$ 199,039	\$	\$

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund
\$ 181,099	\$ 16,679	\$ 28,559	\$ 816	\$ 2,417	\$ 67
<u>181,099</u>	<u>16,679</u>	<u>28,559</u>	<u>816</u>	<u>2,417</u>	<u>67</u>
20,458	11,447	15,824			
49,428				2,033	
36,379			832		
56,955					
1,308		1,763			
4,498					
<u>169,026</u>	<u>11,447</u>	<u>17,587</u>	<u>832</u>	<u>2,033</u>	
<u>12,073</u>	<u>5,232</u>	<u>10,972</u>	<u>(16)</u>	<u>384</u>	<u>67</u>
<u>12,073</u>	<u>5,232</u>	<u>10,972</u>	<u>(16)</u>	<u>384</u>	<u>67</u>
212,237	162,153	72,289	354	22,607	14,952
<u>\$ 224,310</u>	<u>\$ 167,385</u>	<u>\$ 83,261</u>	<u>\$ 338</u>	<u>\$ 22,991</u>	<u>\$ 15,019</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Intergovernmental Agreements	Totals
Revenues:		
Other local	\$ 59,152	\$ 305,518
State aid and grants		2,270,300
Federal aid, grants and reimbursements		3,650,382
Total revenues	59,152	6,226,200
Expenditures:		
Current -		
Instruction		2,963,247
Support services - students and staff		1,059,406
Support services - administration		253,956
Operation and maintenance of plant services		688,605
Student transportation services		82,653
Capital outlay		329,301
Total expenditures		5,377,168
Excess (deficiency) of revenues over expenditures	59,152	849,032
Other financing sources (uses):		
Transfers out		(83,997)
Total other financing sources (uses):		(83,997)
Changes in fund balances	59,152	765,035
Fund balances, beginning of year		1,562,459
Fund balances, end of year	\$ 59,152	\$ 2,327,494

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,734	\$ 2,734
State aid and grants		1,656,153	1,656,153
Federal aid, grants and reimbursements			
Total revenues		<u>1,658,887</u>	<u>1,658,887</u>
Expenditures:			
Current -			
Instruction	2,218,842	925,563	1,293,279
Support services - students and staff	113,750	52,834	60,916
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,332,592</u>	<u>978,397</u>	<u>1,354,195</u>
Excess (deficiency) of revenues over expenditures	<u>(2,332,592)</u>	<u>680,490</u>	<u>3,013,082</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,332,592)</u>	<u>680,490</u>	<u>3,013,082</u>
Fund balances, beginning of year		492,698	492,698
Fund balances (deficits), end of year	<u>\$ (2,332,592)</u>	<u>\$ 1,173,188</u>	<u>\$ 3,505,780</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,530	\$ 1,530	\$	\$ 12,010	\$ 12,010
	202,529	202,529			
	<u>204,059</u>	<u>204,059</u>		<u>12,010</u>	<u>12,010</u>
	45,600	(45,600)	12,000	8,587	3,413
220,671	148,804	71,867		1,134	(1,134)
				2,013	(2,013)
<u>220,671</u>	<u>194,404</u>	<u>26,267</u>	<u>12,000</u>	<u>11,734</u>	<u>266</u>
<u>(220,671)</u>	<u>9,655</u>	<u>230,326</u>	<u>(12,000)</u>	<u>276</u>	<u>12,276</u>
<u>(220,671)</u>	<u>9,655</u>	<u>230,326</u>	<u>(12,000)</u>	<u>276</u>	<u>12,276</u>
	372,580	372,580		300	300
<u>\$ (220,671)</u>	<u>\$ 382,235</u>	<u>\$ 602,906</u>	<u>\$ (12,000)</u>	<u>\$ 576</u>	<u>\$ 12,576</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		178,133	178,133
Federal aid, grants and reimbursements			
Total revenues		178,133	178,133
Expenditures:			
Current -			
Instruction	178,279	176,883	1,396
Support services - students and staff		839	(839)
Support services - administration		411	(411)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	178,279	178,133	146
Excess (deficiency) of revenues over expenditures	(178,279)		178,279
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(178,279)		178,279
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (178,279)	\$	\$ 178,279

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				954,642	954,642
				954,642	954,642
585		585	987,823	426,076	561,747
				394,968	(394,968)
				59,131	(59,131)
				3,753	(3,753)
585		585	987,823	883,928	103,895
(585)		585	(987,823)	70,714	1,058,537
				(70,714)	(70,714)
				(70,714)	(70,714)
(585)		585	(987,823)		987,823
\$ (585)	\$	\$ 585	\$ (987,823)	\$	\$ 987,823

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		87,186	87,186
Total revenues		87,186	87,186
Expenditures:			
Current -			
Instruction			
Support services - students and staff		39,772	(39,772)
Support services - administration	112,282	40,956	71,326
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	112,282	80,728	31,554
Excess (deficiency) of revenues over expenditures	(112,282)	6,458	118,740
Other financing sources (uses):			
Transfers in			
Transfers out		(6,458)	(6,458)
Total other financing sources (uses):		(6,458)	(6,458)
Changes in fund balances	(112,282)		112,282
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (112,282)	\$	\$ 112,282

Limited English & Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	138,961	138,961		627,344	627,344
	138,961	138,961		627,344	627,344
	55,091	(55,091)	724,696	401,327	323,369
211,783	80,325	131,458		152,762	(152,762)
	2,330	(2,330)		2,299	(2,299)
				61,217	(61,217)
				6,690	(6,690)
211,783	137,746	74,037	724,696	624,295	100,401
(211,783)	1,215	212,998	(724,696)	3,049	727,745
	(1,215)	(1,215)		(3,049)	(3,049)
	(1,215)	(1,215)		(3,049)	(3,049)
(211,783)		211,783	(724,696)		724,696
\$ (211,783)	\$	\$ 211,783	\$ (724,696)	\$	\$ 724,696

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		26,745	26,745
Total revenues		<u>26,745</u>	<u>26,745</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		10,152	(10,152)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	26,951	14,612	12,339
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>26,951</u>	<u>24,764</u>	<u>2,187</u>
Excess (deficiency) of revenues over expenditures	<u>(26,951)</u>	<u>1,981</u>	<u>28,932</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,981)	(1,981)
Total other financing sources (uses):		<u>(1,981)</u>	<u>(1,981)</u>
Changes in fund balances	<u>(26,951)</u>		<u>26,951</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (26,951)</u>	<u>\$</u>	<u>\$ 26,951</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,969	\$ 3,969	\$	\$ 455	\$ 455
	112,606	112,606		840,908	840,908
	116,575	116,575		841,363	841,363
	41,270	(41,270)		1,994	(1,994)
	63,496	(63,496)		64,031	(64,031)
	43,445	(43,445)		70,406	(70,406)
	4,576	(4,576)		631,650	(631,650)
609,625	291,575	318,050	230,000	86,532	143,468
609,625	444,362	165,263	230,000	854,613	(624,613)
(609,625)	(327,787)	281,838	(230,000)	(13,250)	216,750
(609,625)	(327,787)	281,838	(230,000)	(13,250)	216,750
	1,482,475	1,482,475		212,289	212,289
\$ (609,625)	\$ 1,154,688	\$ 1,764,313	\$ (230,000)	\$ 199,039	\$ 429,039

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		974,596	974,596
Total revenues		974,596	974,596
Expenditures:			
Current -			
Instruction	1,276,572	870,480	406,092
Support services - students and staff		62,324	(62,324)
Support services - administration		41,212	(41,212)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,276,572	974,016	302,556
Excess (deficiency) of revenues over expenditures	(1,276,572)	580	1,277,152
Other financing sources (uses):			
Transfers in			
Transfers out		(580)	(580)
Total other financing sources (uses):		(580)	(580)
Changes in fund balances	(1,276,572)		1,276,572
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (1,276,572)	\$	\$ 1,276,572

Environmental Special Plate			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				233,485	233,485
				233,485	233,485
36,000		36,000		3,917	(3,917)
			241,571	229,568	12,003
36,000		36,000	241,571	233,485	8,086
(36,000)		36,000	(241,571)		241,571
(36,000)		36,000	(241,571)		241,571
\$ (36,000)	\$	\$ 36,000	\$ (241,571)	\$	\$ 241,571

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 16,638	\$ 16,638
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>16,638</u>	<u>16,638</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	10,000		10,000
Capital outlay			
Total expenditures	<u>10,000</u>		<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>16,638</u>	<u>26,638</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(10,000)</u>	<u>16,638</u>	<u>26,638</u>
Fund balances, beginning of year		172,411	172,411
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 189,049</u>	<u>\$ 199,049</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 181,099	\$ 181,099	\$	\$ 16,679	\$ 16,679
	<u>181,099</u>	<u>181,099</u>		<u>16,679</u>	<u>16,679</u>
	20,458	(20,458)	35,000	11,447	23,553
	49,428	(49,428)			
	36,379	(36,379)			
190,000	56,955	133,045			
	1,308	(1,308)			
	4,498	(4,498)			
<u>190,000</u>	<u>169,026</u>	<u>20,974</u>	<u>35,000</u>	<u>11,447</u>	<u>23,553</u>
<u>(190,000)</u>	<u>12,073</u>	<u>202,073</u>	<u>(35,000)</u>	<u>5,232</u>	<u>40,232</u>
<u>(190,000)</u>	<u>12,073</u>	<u>202,073</u>	<u>(35,000)</u>	<u>5,232</u>	<u>40,232</u>
	212,237	212,237		162,153	162,153
<u>\$ (190,000)</u>	<u>\$ 224,310</u>	<u>\$ 414,310</u>	<u>\$ (35,000)</u>	<u>\$ 167,385</u>	<u>\$ 202,385</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 107,766	\$ 107,766
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		107,766	107,766
Expenditures:			
Current -			
Instruction		27,302	(27,302)
Support services - students and staff		29,408	(29,408)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	110,000	60,497	49,503
Operation of non-instructional services			
Capital outlay			
Total expenditures	110,000	117,207	(7,207)
Excess (deficiency) of revenues over expenditures	(110,000)	(9,441)	100,559
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(110,000)	(9,441)	100,559
Fund balances, beginning of year		105,410	105,410
Fund balances (deficits), end of year	\$ (110,000)	\$ 95,969	\$ 205,969

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 28,559	\$ 28,559	\$	\$ 44,403	\$ 44,403
	<u>28,559</u>	<u>28,559</u>		<u>44,403</u>	<u>44,403</u>
32,000	15,824	16,176	50,000	17,265	32,735
				14,885	(14,885)
				4,391	(4,391)
	1,763	(1,763)		6,506	(6,506)
				4,234	(4,234)
<u>32,000</u>	<u>17,587</u>	<u>14,413</u>	<u>50,000</u>	<u>47,281</u>	<u>2,719</u>
<u>(32,000)</u>	<u>10,972</u>	<u>42,972</u>	<u>(50,000)</u>	<u>(2,878)</u>	<u>47,122</u>
<u>(32,000)</u>	<u>10,972</u>	<u>42,972</u>	<u>(50,000)</u>	<u>(2,878)</u>	<u>47,122</u>
	72,289	72,289		81,971	81,971
<u>\$ (32,000)</u>	<u>\$ 83,261</u>	<u>\$ 115,261</u>	<u>\$ (50,000)</u>	<u>\$ 79,093</u>	<u>\$ 129,093</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 816	\$ 816
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u> 816</u>	<u> 816</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	6,000	832	5,168
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u> 6,000</u>	<u> 832</u>	<u> 5,168</u>
Excess (deficiency) of revenues over expenditures	<u> (6,000)</u>	<u> (16)</u>	<u> 5,984</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u> (6,000)</u>	<u> (16)</u>	<u> 5,984</u>
Fund balances, beginning of year		354	354
Fund balances (deficits), end of year	<u> \$ (6,000)</u>	<u> \$ 338</u>	<u> \$ 6,338</u>

School Opening			Insurance Proceeds		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 13	\$ 13	\$	\$ 35	\$ 35
	13	13		35	35
			35,000		35,000
			35,000		35,000
	13	13	(35,000)	35	35,035
	13	13	(35,000)	35	35,035
	2,939	2,939		7,796	7,796
\$	\$ 2,952	\$ 2,952	\$ (35,000)	\$ 7,831	\$ 42,831

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,417	\$ 2,417
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,417</u>	<u>2,417</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	12,000	2,033	9,967
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>12,000</u>	<u>2,033</u>	<u>9,967</u>
Excess (deficiency) of revenues over expenditures	<u>(12,000)</u>	<u>384</u>	<u>12,384</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(12,000)</u>	<u>384</u>	<u>12,384</u>
Fund balances, beginning of year		22,607	22,607
Fund balances (deficits), end of year	<u>\$ (12,000)</u>	<u>\$ 22,991</u>	<u>\$ 34,991</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 550	\$ 550	\$	\$ 1,480	\$ 1,480
	<u>550</u>	<u>550</u>		<u>1,480</u>	<u>1,480</u>
30,000		30,000		868	(868)
			950,000	296,390	653,610
				96,075	(96,075)
				2,917	(2,917)
<u>30,000</u>		<u>30,000</u>	<u>950,000</u>	<u>396,250</u>	<u>553,750</u>
<u>(30,000)</u>	<u>550</u>	<u>30,550</u>	<u>(950,000)</u>	<u>(394,770)</u>	<u>555,230</u>
				383,117	383,117
				<u>383,117</u>	<u>383,117</u>
<u>(30,000)</u>	<u>550</u>	<u>30,550</u>	<u>(950,000)</u>	<u>(11,653)</u>	<u>938,347</u>
	51,440	51,440		909,155	909,155
<u>\$ (30,000)</u>	<u>\$ 51,990</u>	<u>\$ 81,990</u>	<u>\$ (950,000)</u>	<u>\$ 897,502</u>	<u>\$ 1,847,502</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 67	\$ 67
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		67	67
Expenditures:			
Current -			
Instruction	10,000		10,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	10,000		10,000
Excess (deficiency) of revenues over expenditures	(10,000)	67	10,067
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(10,000)	67	10,067
Fund balances, beginning of year		14,952	14,952
Fund balances (deficits), end of year	\$ (10,000)	\$ 15,019	\$ 25,019

Advertisement			Intergovernmental Agreements		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4	\$ 4	\$	\$ 59,152	\$ 59,152
	<u>4</u>	<u>4</u>		<u>59,152</u>	<u>59,152</u>
	<u>4</u>	<u>4</u>		<u>59,152</u>	<u>59,152</u>
	<u>4</u>	<u>4</u>		<u>59,152</u>	<u>59,152</u>
	887	887			
<u>\$</u>	<u>\$ 891</u>	<u>\$ 891</u>	<u>\$</u>	<u>\$ 59,152</u>	<u>\$ 59,152</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 480,376	\$ 480,376
State aid and grants		2,270,300	2,270,300
Federal aid, grants and reimbursements		3,762,988	3,762,988
Total revenues		<u>6,513,664</u>	<u>6,513,664</u>
Expenditures:			
Current -			
Instruction	5,626,797	3,049,952	2,576,845
Support services - students and staff	1,508,204	1,463,585	44,619
Support services - administration	118,282	397,867	(279,585)
Operation and maintenance of plant services	190,000	696,098	(506,098)
Student transportation services	136,951	149,656	(12,705)
Operation of non-instructional services	10,000	4,234	5,766
Capital outlay	1,081,196	620,876	460,320
Total expenditures	<u>8,671,430</u>	<u>6,382,268</u>	<u>2,289,162</u>
Excess (deficiency) of revenues over expenditures	<u>(8,671,430)</u>	<u>131,396</u>	<u>8,802,826</u>
Other financing sources (uses):			
Transfers in		383,117	383,117
Transfers out		(83,997)	(83,997)
Total other financing sources (uses):		<u>299,120</u>	<u>299,120</u>
Changes in fund balances	<u>(8,671,430)</u>	<u>430,516</u>	<u>9,101,946</u>
Fund balances, beginning of year		4,376,943	4,376,943
Fund balances (deficits), end of year	<u>\$ (8,671,430)</u>	<u>\$ 4,807,459</u>	<u>\$ 13,478,889</u>

DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 6,279	\$ 6,279
Property taxes		1,983,879	1,983,879
Federal aid, grants and reimbursements		232,223	232,223
Total revenues		<u>2,222,381</u>	<u>2,222,381</u>
Expenditures:			
Debt service -			
Principal retirement	1,640,000	1,640,000	
Interest and fiscal charges	1,355,000	644,208	710,792
Total expenditures	<u>2,995,000</u>	<u>2,284,208</u>	<u>710,792</u>
Excess (deficiency) of revenues over expenditures	<u>(2,995,000)</u>	<u>(61,827)</u>	<u>2,933,173</u>
Other financing sources (uses):			
Transfers in		2,195	2,195
Total other financing sources (uses):		<u>2,195</u>	<u>2,195</u>
Changes in fund balances	<u>(2,995,000)</u>	<u>(59,632)</u>	<u>2,935,368</u>
Fund balances, beginning of year		314,248	314,248
Fund balances (deficits), end of year	<u>\$ (2,995,000)</u>	<u>\$ 254,616</u>	<u>\$ 3,249,616</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Gifts and Donations - Capital - to account for gifts and donations to be expended for capital acquisitions.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2014

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Gifts and Donations - Capital</u>
<u>ASSETS</u>			
Cash and investments	\$ 540,087	\$ 37,736	\$ 249,131
Property taxes receivable	53,881		
Total assets	<u><u>\$ 593,968</u></u>	<u><u>\$ 37,736</u></u>	<u><u>\$ 249,131</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$ 37,862	\$ 21,926	\$ _____
Total liabilities	<u>37,862</u>	<u>21,926</u>	<u>_____</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>51,785</u>	<u>_____</u>	<u>_____</u>
Fund balances:			
Restricted	<u>504,321</u>	<u>15,810</u>	<u>249,131</u>
Total fund balances	<u><u>504,321</u></u>	<u><u>15,810</u></u>	<u><u>249,131</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 593,968</u></u>	<u><u>\$ 37,736</u></u>	<u><u>\$ 249,131</u></u>

Totals

\$	826,954
	<u>53,881</u>
\$	<u><u>880,835</u></u>

\$	59,788
	<u>59,788</u>

51,785

<u>769,262</u>
<u>769,262</u>

\$	<u><u>880,835</u></u>
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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Adjacent Ways	Bond Building	Gifts and Donations - Capital
Revenues:			
Other local	\$ 2,056	\$ 2,195	\$
Property taxes	410,761		
Total revenues	412,817	2,195	
Expenditures:			
Capital outlay	377,934	1,629,813	
Total expenditures	377,934	1,629,813	
Excess (deficiency) of revenues over expenditures	34,883	(1,627,618)	
Other financing sources (uses):			
Transfers out		(2,195)	
Total other financing sources (uses):		(2,195)	
Changes in fund balances	34,883	(1,629,813)	
Fund balances, beginning of year	469,438	1,645,623	249,131
Fund balances, end of year	\$ 504,321	\$ 15,810	\$ 249,131

New School Facilities	Totals
\$	\$ 4,251
<u> </u>	<u>410,761</u>
<u> </u>	<u>415,012</u>
<u>153</u>	<u>2,007,900</u>
<u>153</u>	<u>2,007,900</u>
<u>(153)</u>	<u>(1,592,888)</u>
<u> </u>	<u>(2,195)</u>
<u> </u>	<u>(2,195)</u>
<u>(153)</u>	<u>(1,595,083)</u>
<u>153</u>	<u>2,364,345</u>
<u>\$</u>	<u>\$ 769,262</u>
<u> </u>	<u> </u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,253	\$ 4,253
Property taxes		1,929,479	1,929,479
Federal aid, grants and reimbursements		17,810	17,810
Total revenues		<u>1,951,542</u>	<u>1,951,542</u>
Expenditures:			
Capital outlay	3,248,774	1,776,780	1,471,994
Debt service -			
Principal retirement		81,621	(81,621)
Interest and fiscal charges		55,295	(55,295)
Total expenditures	<u>3,248,774</u>	<u>1,913,696</u>	<u>1,335,078</u>
Excess (deficiency) of revenues over expenditures	<u>(3,248,774)</u>	<u>37,846</u>	<u>3,286,620</u>
Other financing sources (uses):			
Transfers in		6,715	6,715
Transfers out			
Total other financing sources (uses):		<u>6,715</u>	<u>6,715</u>
Changes in fund balances	<u>(3,248,774)</u>	<u>44,561</u>	<u>3,293,335</u>
Fund balances, beginning of year		1,264,153	1,264,153
Fund balances (deficits), end of year	<u>\$ (3,248,774)</u>	<u>\$ 1,308,714</u>	<u>\$ 4,557,488</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,056 410,761	\$ 2,056 410,761	\$	\$	\$
	<u>412,817</u>	<u>412,817</u>			
900,000	377,934	522,066			
<u>900,000</u>	<u>377,934</u>	<u>522,066</u>			
<u>(900,000)</u>	<u>34,883</u>	<u>934,883</u>			
				(2,374,437)	(2,374,437)
				<u>(2,374,437)</u>	<u>(2,374,437)</u>
<u>(900,000)</u>	<u>34,883</u>	<u>934,883</u>		<u>(2,374,437)</u>	<u>(2,374,437)</u>
	469,438	469,438		2,374,437	2,374,437
<u>\$ (900,000)</u>	<u>\$ 504,321</u>	<u>\$ 1,404,321</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,195	\$ 2,195
Property taxes			
Federal aid, grants and reimbursements			
Total revenues	2,195	2,195	2,195
Expenditures:			
Capital outlay	1,645,623	1,629,813	15,810
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	1,645,623	1,629,813	15,810
Excess (deficiency) of revenues over expenditures	(1,645,623)	(1,627,618)	18,005
Other financing sources (uses):			
Transfers in			
Transfers out		(2,195)	(2,195)
Total other financing sources (uses):		(2,195)	(2,195)
Changes in fund balances	(1,645,623)	(1,629,813)	15,810
Fund balances, beginning of year		1,645,623	1,645,623
Fund balances (deficits), end of year	\$ (1,645,623)	\$ 15,810	\$ 1,661,433

Gifts and Donations - Capital

New School Facilities

Gifts and Donations - Capital			New School Facilities		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
85,000		85,000		153	(153)
<u>85,000</u>		<u>85,000</u>		<u>153</u>	<u>(153)</u>
<u>(85,000)</u>		<u>85,000</u>		<u>(153)</u>	<u>(153)</u>
<u>(85,000)</u>		<u>85,000</u>		<u>(153)</u>	<u>(153)</u>
	249,131	249,131		153	153
<u>\$ (85,000)</u>	<u>\$ 249,131</u>	<u>\$ 334,131</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 8,504	\$ 8,504
Property taxes		2,340,240	2,340,240
Federal aid, grants and reimbursements		17,810	17,810
Total revenues		<u>2,366,554</u>	<u>2,366,554</u>
Expenditures:			
Capital outlay	5,879,397	3,784,680	2,094,717
Debt service -			
Principal retirement		81,621	(81,621)
Interest and fiscal charges		55,295	(55,295)
Total expenditures	<u>5,879,397</u>	<u>3,921,596</u>	<u>1,957,801</u>
Excess (deficiency) of revenues over expenditures	<u>(5,879,397)</u>	<u>(1,555,042)</u>	<u>4,324,355</u>
Other financing sources (uses):			
Transfers in		6,715	6,715
Transfers out		(2,376,632)	(2,376,632)
Total other financing sources (uses):		<u>(2,369,917)</u>	<u>(2,369,917)</u>
Changes in fund balances	<u>(5,879,397)</u>	<u>(3,924,959)</u>	<u>1,954,438</u>
Fund balances, beginning of year		6,002,935	6,002,935
Fund balances (deficits), end of year	<u>\$ (5,879,397)</u>	<u>\$ 2,077,976</u>	<u>\$ 7,957,373</u>

AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUND
 JUNE 30, 2014**

	Student Activities	Totals
<u>ASSETS</u>		
Cash and investments	\$ 54,319	\$ 54,319
Total assets	\$ 54,319	\$ 54,319
 <u>LIABILITIES</u>		
Accounts payable	\$ 13,109	\$ 13,109
Due to student groups	41,210	41,210
Total liabilities	\$ 54,319	\$ 54,319

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash	\$ 43,146	\$ 37,194	\$ 26,021	\$ 54,319
Total assets	<u>\$ 43,146</u>	<u>\$ 37,194</u>	<u>\$ 26,021</u>	<u>\$ 54,319</u>
<u>Liabilities</u>				
Accounts payable	\$ 10,339	\$ 13,109	\$ 10,339	\$ 13,109
Due to student groups	<u>32,807</u>	<u>24,085</u>	<u>15,682</u>	<u>41,210</u>
Total liabilities	<u>\$ 43,146</u>	<u>\$ 37,194</u>	<u>\$ 26,021</u>	<u>\$ 54,319</u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash	\$ 43,146	\$ 37,194	\$ 26,021	\$ 54,319
Total assets	<u>\$ 43,146</u>	<u>\$ 37,194</u>	<u>\$ 26,021</u>	<u>\$ 54,319</u>
<u>Liabilities</u>				
Accounts payable	\$ 10,339	\$ 13,109	\$ 10,339	\$ 13,109
Due to student groups	<u>32,807</u>	<u>24,085</u>	<u>15,682</u>	<u>41,210</u>
Total liabilities	<u>\$ 43,146</u>	<u>\$ 37,194</u>	<u>\$ 26,021</u>	<u>\$ 54,319</u>

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STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 54,642,657	\$ 54,943,512	\$ 55,256,201	\$ 55,214,369	\$ 51,517,384
Restricted	6,437,446	4,780,727	6,093,331	8,176,072	6,415,893
Unrestricted	6,445,823	5,852,856	4,972,943	6,165,272	8,049,268
Total net position	\$ 67,525,926	\$ 65,577,095	\$ 66,322,475	\$ 69,555,713	\$ 65,982,545
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Position:					
Net investment in capital assets	\$ 50,763,428	\$ 52,980,118	\$ 31,355,264	\$ 29,454,412	\$ 23,042,068
Restricted	5,554,379	4,472,806	4,908,662	4,583,487	2,096,385
Unrestricted	6,508,051	9,901,890	6,942,237	5,174,387	3,967,079
Total net position	\$ 62,825,858	\$ 67,354,814	\$ 43,206,163	\$ 39,212,286	\$ 29,105,532

Source: The source of this information is the District's financial records.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 22,603,709	\$ 20,339,637	\$ 21,048,410	\$ 19,716,894	\$ 23,204,700
Support services - students and staff	6,344,537	5,346,160	4,722,586	4,284,328	4,351,556
Support services - administration	4,211,655	4,201,845	4,009,757	3,306,402	3,712,449
Operation and maintenance of plant services	4,016,325	3,095,103	3,070,856	3,363,703	3,532,952
Student transportation services	1,798,976	1,680,250	1,537,027	1,413,880	1,055,660
Operation of non-instructional services	3,655,958	3,139,568	3,099,530	3,095,289	2,936,076
Interest on long-term debt	822,268	780,290	856,210	891,287	765,864
Total expenses	<u>43,453,428</u>	<u>38,582,853</u>	<u>38,344,376</u>	<u>36,071,783</u>	<u>39,559,257</u>
Program Revenues					
Charges for services:					
Instruction	204,209	261,054	467,777	114,412	237,127
Operation of non-instructional services	397,405	294,392	303,192	409,644	381,389
Other activities	239,786	223,583	134,918	155,462	87,495
Operating grants and contributions	8,357,119	5,852,233	5,661,056	5,423,342	5,929,433
Capital grants and contributions	322,790	226,356	175,301	3,694,346	281,127
Total program revenues	<u>9,521,309</u>	<u>6,857,618</u>	<u>6,742,244</u>	<u>9,797,206</u>	<u>6,916,571</u>
Net (Expense)/Revenue	<u>\$ (33,932,119)</u>	<u>\$ (31,725,235)</u>	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>	<u>\$ (32,642,686)</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Instruction	\$ 25,848,457	\$ 20,617,659	\$ 17,522,405	\$ 14,252,993	\$ 10,089,906
Support services - students and staff	4,910,946	5,167,102	2,649,334	2,462,815	2,057,007
Support services - administration	3,840,626	3,426,984	3,350,033	2,174,757	1,551,317
Operation and maintenance of plant services	3,423,325	2,916,818	2,698,604	2,117,164	1,555,095
Student transportation services	1,565,093	1,454,647	1,297,133	1,156,611	1,024,241
Operation of non-instructional services	2,780,839	2,370,675	1,827,002	1,494,223	2,343,078
Interest on long-term debt	960,599	1,237,136	110,784	808,049	414,155
Total expenses	<u>43,329,885</u>	<u>37,191,021</u>	<u>29,455,295</u>	<u>24,466,612</u>	<u>19,034,799</u>
Program Revenues					
Charges for services:					
Instruction	396,264	508,423	262,007	243,679	132,508
Operation of non-instructional services	473,378	388,098	348,301	314,325	287,108
Other activities	56,365	63,367	55,441	63,565	18,507
Operating grants and contributions	5,824,208	3,491,539	3,430,591	3,113,333	3,175,342
Capital grants and contributions	114,245	1,442,548	19,300	311,006	146,201
Total program revenues	<u>6,864,460</u>	<u>5,893,975</u>	<u>4,115,640</u>	<u>4,045,908</u>	<u>3,759,666</u>
Net (Expense)/Revenue	<u>\$ (36,465,425)</u>	<u>\$ (31,297,046)</u>	<u>\$ (25,339,655)</u>	<u>\$ (20,420,704)</u>	<u>\$ (15,275,133)</u>

Source: The source of this information is the District's financial records.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2014	2013	2012	2011	2010
Net (Expense)/Revenue	\$ (33,932,119)	\$ (31,725,235)	\$ (31,602,132)	\$ (26,274,577)	\$ (32,642,686)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,609,885	8,365,772	6,223,517	7,475,059	9,027,112
Property taxes, levied for debt service	1,985,130	1,187,785	3,077,036	2,967,448	1,598,734
Property taxes, levied for capital outlay	442,848	377,890		115,017	2,632,358
Investment income	34,573	53,547	73,013	188,897	244,826
Unrestricted county aid	2,006,377	1,813,870	1,751,852	1,746,005	1,721,324
Unrestricted state aid	21,689,531	19,031,022	17,243,476	17,151,308	18,144,761
Unrestricted federal aid	112,606	149,969		204,011	2,430,258
Total general revenues	35,880,950	30,979,855	28,368,894	29,847,745	35,799,373
Changes in Net Position	\$ 1,948,831	\$ (745,380)	\$ (3,233,238)	\$ 3,573,168	\$ 3,156,687

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (Expense)/Revenue	\$ (36,465,425)	\$ (31,297,046)	\$ (25,339,655)	\$ (20,420,704)	\$ (15,275,133)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,807,742	6,596,017	4,125,418	4,006,796	3,274,945
Property taxes, levied for debt service	2,461,356	2,311,249	1,570,615	1,330,255	1,093,211
Property taxes, levied for capital outlay	3,486,758	1,588,834	560,660	1,906,374	543,508
Investment income	428,438	512,447	558,063	189,771	98,030
Unrestricted county aid			13,655	1,124,820	903,843
Unrestricted state aid	18,752,175	44,437,150	22,505,121	21,969,442	15,274,191
Unrestricted federal aid					
Total general revenues	<u>31,936,469</u>	<u>55,445,697</u>	<u>29,333,532</u>	<u>30,527,458</u>	<u>21,187,728</u>
Changes in Net Position	<u>\$ (4,528,956)</u>	<u>\$ 24,148,651</u>	<u>\$ 3,993,877</u>	<u>\$ 10,106,754</u>	<u>\$ 5,912,595</u>

Source: The source of this information is the District's financial records.

Notes: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 920,922	\$ 684,953	\$ 526,787	\$ 465,501	\$
Restricted	1,308,714	1,264,153	1,379,702	1,854,699	
Unassigned	4,062,338	3,424,126	2,735,611	5,519,707	
Reserved					300,438
Unreserved					542,991
Total General Fund	<u>\$ 6,291,974</u>	<u>\$ 5,373,232</u>	<u>\$ 4,642,100</u>	<u>\$ 7,839,907</u>	<u>\$ 843,429</u>
All Other Governmental Funds:					
Restricted	4,916,359	5,101,835	6,706,992	10,512,185	
Reserved					86,360
Unreserved, reported in:					
Special revenue funds					5,233,948
Capital projects funds					7,289,834
Debt service fund					(21,095)
Total all other governmental funds	<u>\$ 4,916,359</u>	<u>\$ 5,101,835</u>	<u>\$ 6,706,992</u>	<u>\$ 10,512,185</u>	<u>\$ 12,589,047</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$ 117,319	\$ 112,157	\$ 117,000	\$ 308,347	\$ 258,651
Unreserved	(1,997,016)	4,168,597	760,583	1,973,348	1,081,633
Total General Fund	<u>\$ (1,879,697)</u>	<u>\$ 4,280,754</u>	<u>\$ 877,583</u>	<u>\$ 2,281,695</u>	<u>\$ 1,340,284</u>
All Other Governmental Funds:					
Reserved	\$ 71,598	\$ 55,985	\$ 54,620	\$ 54,261	\$ 19,321
Unreserved, reported in:					
Special revenue funds	4,889,622	4,886,223	4,591,446	2,467,802	1,654,593
Capital projects funds	8,759,033	9,845,938	6,559,819	3,912,764	1,373,272
Debt service fund	975,103	819,245	2,274,383	585,859	698,317
Total all other governmental funds	<u>\$ 14,695,356</u>	<u>\$ 15,607,391</u>	<u>\$ 13,480,268</u>	<u>\$ 7,020,686</u>	<u>\$ 3,745,503</u>

Source: The source of this information is the District's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 4,013,021	\$ 2,676,154	\$ 2,034,522	\$ 2,202,140	\$ 5,661,652
State Fiscal Stabilization (ARRA)				204,011	
Education Jobs			490,743	386,264	
National School Lunch Program	4,172,939	3,376,771	3,214,406	2,905,043	2,759,932
Total federal sources	<u>8,185,960</u>	<u>6,052,925</u>	<u>5,739,671</u>	<u>5,697,458</u>	<u>8,421,584</u>
State sources:					
State equalization assistance	19,830,849	17,446,854	15,837,044	16,057,077	19,047,479
State grants	411,618	72,840	42,954		73,415
School Facilities Board		54,924			
Other revenues	1,858,682	1,584,168	1,406,432	1,132,780	1,604,590
Total state sources	<u>22,101,149</u>	<u>19,158,786</u>	<u>17,286,430</u>	<u>17,189,857</u>	<u>20,725,484</u>
Local sources:					
Property taxes	12,078,963	9,884,176	9,436,658	10,723,581	12,883,612
County aid	2,006,377	1,813,870	1,757,857	1,786,926	1,721,324
Food service sales	397,405	294,392	303,192	320,478	324,629
Investment income	34,573	53,547	73,013	123,836	241,924
Other revenues	484,191	532,506	696,984	435,426	385,581
Total local sources	<u>15,001,509</u>	<u>12,578,491</u>	<u>12,267,704</u>	<u>13,390,247</u>	<u>15,557,070</u>
Total revenues	<u>\$ 45,288,618</u>	<u>\$ 37,790,202</u>	<u>\$ 35,293,805</u>	<u>\$ 36,277,562</u>	<u>\$ 44,704,138</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Federal sources:					
Federal grants	\$ 3,175,703	\$ 2,848,688	\$ 1,498,316	\$ 1,619,891	\$ 1,721,383
National School Lunch Program	2,245,104	1,774,565	1,802,511	1,432,647	1,217,761
Total federal sources	<u>5,420,807</u>	<u>4,623,253</u>	<u>3,300,827</u>	<u>3,052,538</u>	<u>2,939,144</u>
State sources:					
State equalization assistance	14,729,736	23,719,901	16,512,131	13,253,437	9,934,630
State grants	676,634	170,082	162,994	159,063	320,126
School Facilities Board	1,115,393	17,699,429	4,214,068	7,366,586	4,561,595
Other revenues	1,561,125	2,051,036	1,778,922	1,349,419	860,837
Total state sources	<u>18,082,888</u>	<u>43,640,448</u>	<u>22,668,115</u>	<u>22,128,505</u>	<u>15,677,188</u>
Local sources:					
Property taxes	12,456,705	10,333,655	6,261,219	7,148,063	4,916,435
County aid			13,655	1,124,820	903,843
Food service sales	407,189	359,313	320,798	300,003	259,641
Investment income	415,596	537,148	547,347	184,408	94,787
Other revenues	601,168	589,086	344,951	321,566	178,482
Total local sources	<u>13,880,658</u>	<u>11,819,202</u>	<u>7,487,970</u>	<u>9,078,860</u>	<u>6,353,188</u>
Total revenues	<u>\$ 37,384,353</u>	<u>\$ 60,082,903</u>	<u>\$ 33,456,912</u>	<u>\$ 34,259,903</u>	<u>\$ 24,969,520</u>

Source: The source of this information is the District's financial records.

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 19,476,377	\$ 17,877,491	\$ 18,795,718	\$ 17,388,184	\$ 20,828,087
Support services - students and staff	5,960,392	5,099,526	4,506,786	3,963,924	4,176,708
Support services - administration	3,796,371	3,894,780	3,754,249	3,082,871	3,449,785
Operation and maintenance of plant services	3,749,721	2,785,540	2,811,318	2,776,284	3,313,758
Student transportation services	1,390,443	1,376,310	1,248,118	1,106,115	1,050,557
Operation of non-instructional services	3,572,384	3,081,107	3,036,608	2,966,207	2,833,818
Capital outlay	4,424,509	1,971,751	5,529,938	4,784,496	6,842,115
Debt service -					
Interest and fiscal charges	699,503	780,290	856,210	771,960	765,864
Principal retirement	1,721,621	1,955,598	1,819,146	2,160,601	1,962,548
Bond issuance costs				253,511	
Total expenditures	<u><u>\$ 44,791,321</u></u>	<u><u>\$ 38,822,393</u></u>	<u><u>\$ 42,358,091</u></u>	<u><u>\$ 39,254,153</u></u>	<u><u>\$ 45,223,240</u></u>
Expenditures for capitalized assets	\$ 1,888,133	\$ 586,460	\$ 3,795,463	\$ 3,203,436	\$ 5,996,816
Debt service as a percentage of noncapital expenditures	6%	7%	7%	8%	7%

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenditures:					
Current -					
Instruction	\$ 19,269,450	\$ 17,349,326	\$ 13,464,700	\$ 11,262,540	\$ 9,189,031
Support services - students and staff	4,638,812	4,853,517	2,549,510	2,340,776	1,957,360
Support services - administration	3,376,043	2,937,889	3,220,302	2,135,708	1,511,186
Operation and maintenance of plant services	3,183,875	2,664,132	2,334,156	2,086,229	1,456,313
Student transportation services	993,723	1,295,199	1,136,725	1,025,472	912,979
Operation of non-instructional services	2,690,382	2,078,561	1,728,078	1,425,990	1,295,729
Capital outlay	7,485,608	27,113,244	11,509,372	8,631,319	6,190,558
Debt service -					
Judgments against the district	13,602				
Interest and fiscal charges	960,599	1,369,761	113,291	1,428,642	761,505
Principal retirement	1,994,471	2,839,831	266,321	305,388	130,834
Bond issuance costs		148,622	102,200		
Total expenditures	<u>\$ 44,606,565</u>	<u>\$ 62,650,082</u>	<u>\$ 36,424,655</u>	<u>\$ 30,642,064</u>	<u>\$ 23,405,495</u>
Expenditures for capitalized assets	\$ 3,864,201	\$ 23,683,707	\$ 7,966,833	\$ 5,968,155	\$ 4,740,692
Debt service as a percentage of noncapital expenditures	7%	11%	1%	7%	5%

Source: The source of this information is the District's financial records.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ 497,297	\$ (1,032,191)	\$ (7,064,286)	\$ (2,976,591)	\$ (519,102)
Other financing sources (uses):					
General obligation bonds issued				7,600,000	
Premium on sale of bonds				134,184	
Capital lease agreements					938,038
Transfers in	385,312	623,660	295,814	399,844	464,537
Transfers out	(385,312)	(623,660)	(295,814)	(399,844)	(464,537)
Total other financing sources (uses)	385,312	(623,660)	(295,814)	7,734,184	938,038
Changes in fund balances	\$ 497,297	\$ (1,032,191)	\$ (7,064,286)	\$ 4,757,593	\$ 418,936
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Excess (deficiency) of revenues over expenditures	\$ (7,222,212)	\$ (2,567,179)	\$ (2,967,743)	\$ 3,617,839	\$ 1,564,025
Other financing sources (uses):					
General obligation bonds issued		7,830,000	8,000,000		
Premium on sale of bonds		130,518	104,707		
Capital lease agreements	128,951	140,433	109,494	514,119	226,872
Transfers in	598,950	40,839	747,069	137,207	226,597
Transfers out	(598,950)	(40,839)	(747,069)	(137,207)	(226,597)
Total other financing sources (uses)	128,951	8,100,951	8,214,201	514,119	226,872
Changes in fund balances	\$ (7,093,261)	\$ 5,533,772	\$ 5,246,458	\$ 4,131,958	\$ 1,790,897

Source: The source of this information is the District's financial records.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 91,009,297	\$ 107,253,601	\$ 117,516,790	\$ 67,029,557	\$ 117,441,892
Agricultural and Vacant	15,870,849	17,831,961	22,653,450	33,444,404	38,766,995
Residential (Owner Occupied)	58,080,439	70,918,078	79,484,285	104,331,449	145,273,311
Residential (Rental)	36,060,869	31,103,815	31,952,378	37,951,808	40,343,452
Railroad, Private Cars and Airlines	674,906	629,897	519,588	498,021	512,993
Historical Property	28,598	32,414	37,136		
Total	\$ 201,724,958	\$ 227,769,766	\$ 252,163,627	\$ 243,255,239	\$ 342,338,643
Estimated Actual Value (Full Cash Value)	\$ 1,818,863,601	\$ 1,968,364,551	\$ 2,153,625,406	\$ 2,686,378,396	\$ 3,249,300,415
Ratio of Primary Assessed Value to Estimated Actual Value	11.09%	11.57%	11.71%	9.06%	10.54%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 104,583,295	\$ 83,984,179	\$ 70,004,298	\$ 66,330,982	\$ 57,505,590
Agricultural and Vacant	36,309,781	32,343,496	24,672,806	19,424,780	18,889,960
Residential (Owner Occupied)	135,754,466	102,354,277	80,647,714	64,455,207	43,577,988
Residential (Rental)	32,612,487	23,468,194	14,442,109	7,467,767	3,781,409
Railroad, Private Cars and Airlines	589,408	630,106	636,270	595,360	553,194
Total	\$ 309,849,437	\$ 242,780,252	\$ 190,403,197	\$ 158,274,096	\$ 124,308,141
Estimated Actual Value (Full Cash Value)	\$ 3,423,609,778	\$ 2,586,217,967	\$ 1,658,309,097	\$ 1,334,477,243	\$ 1,020,494,915
Ratio of Primary Value to Estimated Actual Value	9.05%	9.39%	11.48%	11.86%	12.18%

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: The primary assessed value generates revenues for general District operations.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 91,848,309	\$ 108,164,053	\$ 119,117,533	\$ 141,276,550	\$ 140,417,832
Agricultural and Vacant	16,597,784	18,146,283	23,464,063	39,828,347	56,114,696
Residential (Owner Occupied)	58,127,943	70,948,949	79,542,254	104,686,686	150,329,796
Residential (Rental)	36,827,465	31,109,955	31,962,749	38,183,041	42,064,668
Railroad, Private Cars and Airlines	681,266	641,785	579,194	593,515	604,151
Historical Property	111,531	129,655	148,545		
Total	\$ 204,194,298	\$ 229,140,680	\$ 254,814,338	\$ 324,568,139	\$ 389,531,143
Ratio of Secondary Assessed Value to Estimated Actual Value	11.23%	11.64%	11.83%	12.08%	11.99%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 91,867,336	\$ 74,377,964	\$ 68,170,222	\$ 60,111,223	\$ 46,337,454
Agricultural and Vacant	57,062,216	47,728,055	34,715,616	24,078,197	26,945,694
Residential (Owner Occupied)	184,544,411	139,223,287	82,367,208	68,183,283	45,166,859
Residential (Rental)	43,927,311	31,272,329	15,048,701	8,224,483	4,029,608
Railroad, Private Cars and Airlines	663,801	694,819	672,111	650,233	619,002
Total	\$ 408,800,218	\$ 310,785,826	\$ 207,181,600	\$ 169,306,418	\$ 136,872,386
Ratio of Secondary Assessed Value to Estimated Actual Value	11.94%	12.02%	12.49%	12.69%	13.41%

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	20	21	22	21	21

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates										
	State Equalization	County	Community College District	Flood Control District	Water Conservation District	City of Avondale	City of Tolleson	Tolleson Union High School District No. 214	District Direct Rates		
									Primary	Secondary	Total
2014	0.51	1.28	1.53	0.14	0.14	1.81	3.76	5.49	2.42	3.55	5.98
2013	0.47	1.24	1.38	0.18	0.10	1.33	3.42	4.85	2.45	1.93	4.38
2012	0.43	1.24	1.21	0.18	0.10	1.33	2.91	4.06	1.33	2.47	3.80
2011	0.36	1.05	0.97	0.15	0.10	1.11	2.44	2.72	1.60	1.87	3.47
2010	0.33	0.99	0.88	0.14	0.10	1.11	2.51	2.10	2.51	1.26	3.77
2009		1.03	0.94	0.14	0.10	1.11	2.30	2.60	2.38	1.39	3.77
2008		1.10	0.98	0.15	0.10	1.11	2.67	2.86	2.33	1.61	3.94
2007		1.18	1.06	0.20	0.12	1.17	2.97	4.26	1.22	1.88	3.10
2006		1.20	1.03	0.21	0.12	1.17	2.43	3.79	2.74	1.85	4.59
2005		1.21	1.04	0.21	0.12	1.17	2.41	4.29	2.12	1.72	3.84

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

Note: There was no tax rate for state equalization prior to 2010.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2014		2005	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service	\$ 4,302,669	2.11 %	5,559,727	4.06 %
VHS of South Phoenix, Inc.	1,636,244	0.80		
Macy's Retail Holdings, Inc.	1,453,850	0.71		
DH Goodyear LLC	1,255,461	0.61		
Wigwam Country Development Co.	1,082,872	0.53		
Southwest Gas Corporation	1,027,168	0.50	1,490,566	1.09
The Market at Estrella Falls LLC	953,108	0.47		
Mirabella Avondale Apartments LLC	931,588	0.46		
First American Title Insurance Co.	862,665	0.42	1,162,141	0.85
Cardinal Capital Co.	845,061	0.41		
Suncor Development Company			8,123,769	5.94
Kabuto Arizona Properties LLC			3,794,906	2.77
Rubbermaid, Inc.			3,296,046	2.41
Qwest Corporation			2,221,023	1.62
McLane Company			1,885,312	1.38
Loral Corporation			1,695,340	1.24
Snyders of Hanover Snacks, Inc.			1,682,240	1.23
Total	<u>\$ 14,350,686</u>	<u>7.02 %</u>	<u>\$ 30,911,069</u>	<u>22.59 %</u>

Source: The source of this information is the Maricopa County Assessor's records.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 12,144,131	\$ 11,777,361	96.98 %	\$	\$ 11,777,361	96.98 %
2013	9,944,964	9,564,004	96.17	49,179	9,613,183	96.66
2012	9,610,825	9,200,259	95.73	405,051	9,605,310	99.94
2011	11,045,280	10,498,742	95.05	546,538	11,045,280	100.00
2010	13,522,874	12,513,492	92.54	1,005,259	13,518,751	99.97
2009	13,179,902	12,282,024	93.19	826,583	13,108,607	99.46
2008	10,838,782	10,396,831	95.92	441,951	10,838,782	100.00
2007	6,287,207	6,006,237	95.53	279,781	6,286,018	99.98
2006	7,403,486	7,154,323	96.63	249,163	7,403,486	100.00
2005	4,977,631	4,820,824	96.85	156,807	4,977,631	100.00

Source: The source of this information is the Maricopa County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2014	\$ 13,485,000	\$ 254,616	\$ 13,230,384	0.74 %	\$ 312	\$ 645,948	\$ 14,130,948	0.78 %	\$ 326	0.01 %
2013	15,365,000	314,248	15,050,752	0.78	372	727,569	16,092,569	0.82	389	0.01
2012	17,050,000	1,428,735	15,621,265	0.79	437	803,167	17,853,167	0.83	458	0.01
2011	19,085,000		19,085,000	0.71	561	937,313	20,022,313	0.75	589	0.01
2010	13,390,000	975,103	12,414,897	0.41	446	1,062,914	14,452,914	0.44	482	0.01
2009	14,500,000	819,245	13,680,755	4.68	483	182,424	14,682,424	4.74	489	0.01
2008	15,070,000	2,274,383	12,795,617	6.21	502	479,187	15,549,187	6.40	518	0.01
2007	9,270,000	585,859	8,684,141	4.87	309	588,585	9,858,585	5.18	329	0.01
2006	1,280,000	698,317	581,683	0.81	43	745,412	2,025,412	1.28	68	0.00
2005	1,320,000	348,829	971,171	1.06	44	496,681	1,816,681	1.46	61	0.00

Source: The source of this information is the District's financial records.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 766,085,000	0.67 %	\$ 5,132,770
City of Avondale	28,560,000	35.03	10,004,568
City of Goodyear	111,940,000	0.01	11,194
City of Phoenix	1,544,830,000	0.30	4,634,490
City of Tolleson	39,515,000	27.67	10,933,801
Tolleson Union High School District No. 214	54,215,000	22.95	12,442,343
Subtotal, Overlapping Debt			<u>43,159,166</u>
Direct:			
Littleton Elementary School District No. 65			<u>14,130,948</u>
Total Direct and Overlapping Debt			<u><u>\$ 57,290,114</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		6.48 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,303	
As a Percentage of Net Secondary Assessed Valuation		27.62 %
As a Percentage of Estimated Actual Value (Full Cash Value)		1.33 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2013 is presented for the overlapping governments as this is the most recent available information.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2014:

Secondary assessed valuation	\$ 204,194,298
Debt limit (10% of assessed value)	20,419,430
Debt applicable to limit	<u>13,485,000</u>
Legal debt margin	<u>\$ 6,934,430</u>

Total Legal Debt Margin Calculation for Fiscal Year 2014:

Secondary assessed valuation	\$ 204,194,298
Debt limit (15% of assessed value)	30,629,145
Debt applicable to limit	<u>13,485,000</u>
Legal debt margin	<u>\$ 17,144,145</u>

Fiscal Year Ended June 30

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 30,629,145	\$ 34,371,102	\$ 38,222,151	\$ 48,685,221	\$ 58,429,671
Total net debt applicable to limit	<u>13,485,000</u>	<u>15,365,000</u>	<u>17,050,000</u>	<u>19,085,000</u>	<u>13,390,000</u>
Legal debt margin	<u>\$ 17,144,145</u>	<u>\$ 19,006,102</u>	<u>\$ 21,172,151</u>	<u>\$ 29,600,221</u>	<u>\$ 45,039,671</u>
Total net debt applicable to the limit as a percentage of debt limit	44%	45%	45%	39%	23%

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 61,320,033	\$ 46,617,874	\$ 31,077,240	\$ 25,395,963	\$ 20,530,858
Total net debt applicable to limit	<u>14,500,000</u>	<u>15,070,000</u>	<u>9,270,000</u>	<u>1,280,000</u>	<u>1,320,000</u>
Legal debt margin	<u>\$ 46,820,033</u>	<u>\$ 31,547,874</u>	<u>\$ 21,807,240</u>	<u>\$ 24,115,963</u>	<u>\$ 19,210,858</u>
Total net debt applicable to the limit as a percentage of debt limit	24%	32%	30%	5%	6%

Source: The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Bond premium is not subject to the statutory debt limit.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2013	3,944,859	\$ 147,700,000	\$ 27,552	6.7 %	43,283
2012	3,824,058	147,374,500	38,539	9.1	41,324
2011	3,843,370	142,864,275	37,352	8.4	39,000
2010	3,817,117	142,091,618	35,319	8.5	34,000
2009	4,023,331	147,122,078	37,168	8.3	30,000
2008	3,987,942	139,665,253	36,135	4.8	30,000
2007	3,907,492	132,423,154	35,046	3.2	30,000
2006	3,792,675	120,716,738	33,178	3.5	30,000
2005	3,895,205	111,103,576	31,757	4.4	30,000
2004	3,742,460	102,277,852	30,160	5.0	30,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, the source of the information is the Arizona Office of Employment and Population Statistics.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,278	2.59 %	49,150	2.92 %
Walmart Stores, Inc.	32,169	1.69	19,510	1.16
Banner Health Systems	25,270	1.33	14,445	0.86
City of Phoenix	14,983	0.79	13,615	0.81
Wells Fargo Company	14,713	0.77	11,535	0.68
Maricopa County	12,698	0.67	15,220	0.90
Apollo Group, Inc.	12,222	0.64	10,530	0.62
Arizona State University	11,900	0.63	9,500	0.56
Raytheon Company	11,042	0.58	9,200	0.55
Bank of America	11,000	0.58	7,270	0.43
Honeywell	10,000	0.53	12,200	0.72
Intel Corporation	10,000	0.53	6,295	0.37
JP Morgan Chase & Company	9,306	0.49	8,540	0.51
Mesa Public Schools	8,217	0.43	8,685	0.52
U.S. Postal Service	7,312	0.38	11,405	0.68
US Airways			10,200	0.60
Albertson's			7,640	0.45
Bashas', Inc.			8,235	0.49
Safeway Stores			7,000	0.42
Fry's Food and Drug			6,400	0.38
Qwest Communications International Inc.			6,300	0.37
Total	<u>240,110</u>	<u>12.63 %</u>	<u>252,875</u>	<u>15.00 %</u>
Total employment	<u>1,903,173</u>		<u>1,686,000</u>	

Source: The source of this information is the Business Journal Book of Lists.

Note: The principal employer data is presented for Maricopa County.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Superintendent	7	7	7	7	7
Assistant principals	11	11	10	10	10
Total supervisory	<u>18</u>	<u>18</u>	<u>17</u>	<u>17</u>	<u>17</u>
Instruction					
Teachers	289	266	280	282	300
Other professionals (instructional)	24	21	12	12	12
Aides	77	81	86	65	66
Total instruction	<u>390</u>	<u>368</u>	<u>378</u>	<u>359</u>	<u>378</u>
Support and Administration					
Managers	8	10	7	7	6
Other classified	110	102	113	92	95
Total support and administration	<u>118</u>	<u>112</u>	<u>120</u>	<u>99</u>	<u>101</u>
Total	<u><u>526</u></u>	<u><u>498</u></u>	<u><u>515</u></u>	<u><u>475</u></u>	<u><u>496</u></u>

(Continued)

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Supervisory					
Superintendent	7				
Assistant principals	10	16	18	11	10
Total supervisory	<u>17</u>	<u>16</u>	<u>18</u>	<u>11</u>	<u>10</u>
Instruction					
Teachers	311	292	230	183	138
Other professionals (instructional)	14	17	11	4	5
Aides	55	71	68	35	25
Total instruction	<u>380</u>	<u>380</u>	<u>309</u>	<u>222</u>	<u>168</u>
Support and Administration					
Managers	5	9	5	8	8
Other classified	96	99	95	97	85
Total support and administration	<u>101</u>	<u>108</u>	<u>100</u>	<u>105</u>	<u>93</u>
Total	<u><u>498</u></u>	<u><u>504</u></u>	<u><u>427</u></u>	<u><u>338</u></u>	<u><u>271</u></u>

Source: The source of this information is District personnel records.

(Concluded)

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2014	5,172	\$ 37,945,688	\$ 7,337	9.23 %	\$ 43,453,428	\$ 8,402	10.60 %	289	17.9	78.5 %
2013	5,079	34,114,754	6,717	(4.42)	38,582,853	7,597	(3.72)	266	19.1	79.7
2012	4,860	34,152,797	7,027	8.21	38,344,376	7,890	5.36	280	17.4	82.6
2011	4,817	31,283,585	6,494	(13.62)	36,071,783	7,488	(10.24)	282	17.1	79.6
2010	4,742	35,652,713	7,518	8.07	39,559,257	8,342	(5.49)	300	15.8	80.2
2009	4,909	34,152,285	6,957	3.76	43,329,885	8,827	10.36	311	15.8	75.6
2008	4,650	31,178,624	6,705	13.06	37,191,021	7,998	11.87	292	15.9	78.7
2007	4,120	24,433,471	5,930	10.29	29,455,295	7,149	10.19	230	17.9	73.0
2006	3,771	20,276,715	5,377	4.03	24,466,612	6,488	7.64	183	20.6	74.0
2005	3,158	16,322,598	5,169	33.50	19,034,799	6,027	(7.69)	138	22.9	73.5

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Schools</u>										
Elementary										
Buildings	25	25	25	25	25	22	18	17	17	16
Square feet	586,505	586,505	586,505	576,739	576,739	521,963	431,455	341,642	341,642	251,651
Capacity	7,261	7,261	7,261	7,261	7,261	6,386	5,263	4,140	4,140	3,015
Enrollment	5,623	5,079	4,860	4,817	4,742	4,909	4,237	3,638	3,330	2,672
Middle										
Buildings							6	6	6	6
Square feet							42,477	42,477	42,477	42,477
Capacity							480	480	480	480
Enrollment							413	482	441	486
<u>Administrative</u>										
Buildings	3	3	3	3	3	2	2	2	2	2
Square feet	44,678	44,678	44,678	44,678	44,678	9,248	9,248	9,248	9,248	9,248
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	25	25	25	25	23	23	24	28	27	20

Source: The source of this information is the District's facilities records.

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