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# LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**

**AVONDALE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:  
Business and Finance Department

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**

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## **INTRODUCTORY SECTION**



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December 14, 2015

Citizens and Governing Board  
 Littleton Elementary School District No. 65  
 1600 S. 107<sup>th</sup> 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, 2015.

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, 2015, 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, 2015, 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 5,211.

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. 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 2010 Census was 76,238 and the 2014 Estimate was 79,616.

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 5,211 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 seven 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 14<sup>th</sup> in land area. The County's 2014 population was estimated at 4,008,651 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 8<sup>th</sup> 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 were funded primarily through the Arizona School Facilities Board but in recent years the funding has been shifted to local taxpayers through Bond elections. 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.

Through a Special Bond Election in November of 2014, local taxpayers elected to authorize the District to sell \$14.25 million in bonds for the construction of a new elementary campus. Construction of the new campus began in the fall of 2015 and completion is anticipated May of 2016 with classes starting July of 2016.

After years of growth, the District experienced a flat line in student numbers during the 2009-2010 school year as development of new housing slowed throughout the District, in the years following the enrollment has stabilized. The District continues to see student growth as the projected enrollment is expected to exceed the current student count of 5,211. 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, 2014. This was the fifth 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, 2014. 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 2014-15 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  
Chief of Finance and Operations

# 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, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

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, 2014**

Executive Director/CEO





2014-2015

Adopted Revision  
October 7, 2014

# COMMUNITY

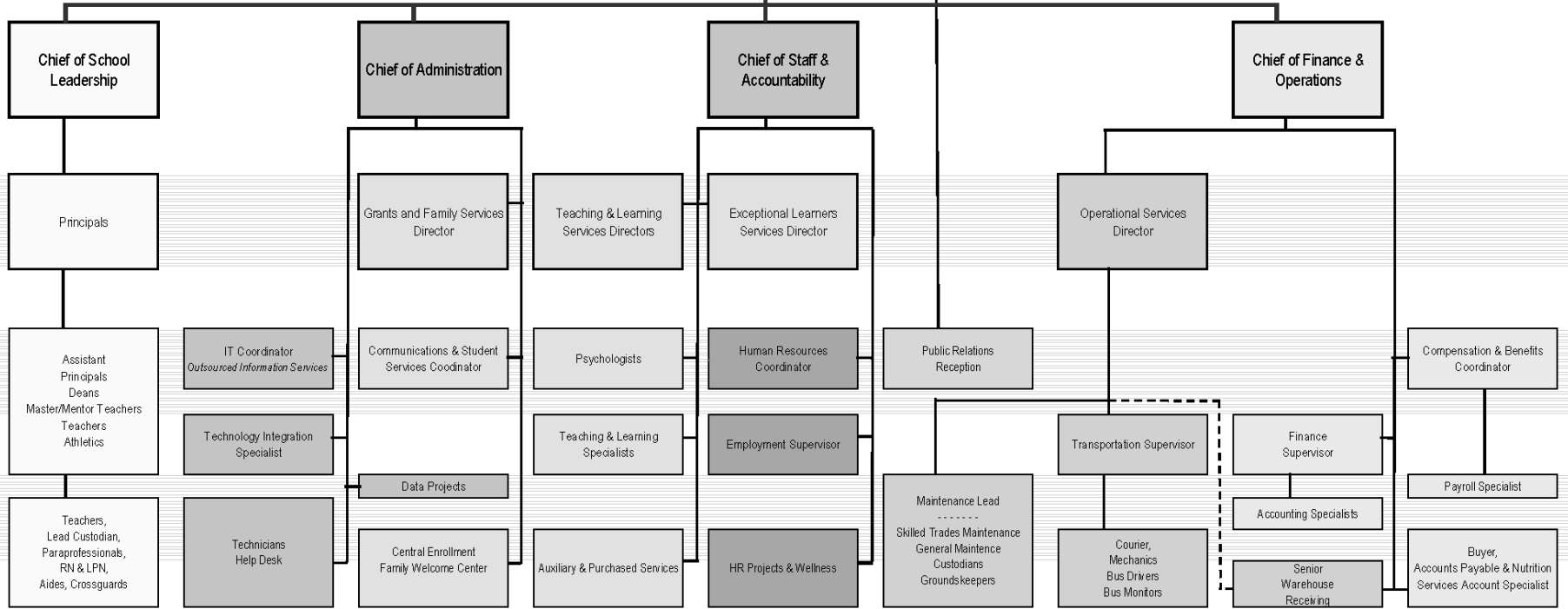
## GOVERNING BOARD

SUPERINTENDENT

Administrative Assistant

LEADERS

IN LEARNING, CARING, AND GROWING



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

John Raeder III, Member

**ADMINISTRATIVE STAFF**

Roger S. Freeman, Ed.D., Superintendent

Phyllis Kinder, Chief of Finance and Operations

Lisa Kelley, Chief of Staff and Accountability

Sue Garrison, Chief of Administration

Gary Londer, Ed.D., Chief of School Leadership

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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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, 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, budgetary comparison information, and net pension liability information, as listed in the table of contents, 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 Section and Statistical Section 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 14, 2015, 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 14, 2015

**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, 2015**

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, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. 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 decreased \$1.3 million, which represents a four percent decrease from the prior fiscal year.
- General revenues accounted for \$37.5 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.0 million, or 18 percent of total current fiscal year revenues.
- The District had approximately \$46.8 million in expenses related to governmental activities, an increase of eight 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 \$33.4 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$33.4 million in expenditures. The General Fund's fund balance decreased from \$6.3 million at the prior fiscal year end to \$5.9 million at the end of the current fiscal year which was primarily due to utilization of fund balance.

### **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, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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, Debt Service, and Bond Building 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30.6 million at the current fiscal year end.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Current and other assets	\$ 27,655,784	\$ 16,238,239
Capital assets, net	67,619,931	68,880,560
Total assets	<u>95,275,715</u>	<u>85,118,799</u>
Deferred outflows	<u>6,343,607</u>	
Current and other liabilities	2,711,228	2,510,258
Long-term liabilities	61,929,665	15,082,615
Total liabilities	<u>64,640,893</u>	<u>17,592,873</u>
Deferred inflows	<u>6,352,315</u>	
Net position:		
Net investment in capital assets	54,510,270	54,642,657
Restricted	6,484,625	6,437,446
Unrestricted	(30,368,781)	6,445,823
Total net position	<u>\$ 30,626,114</u>	<u>\$ 67,525,926</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$30.4 million. The deficit arose because of the implementation of GASB Statement No. 68, which required the District to record a liability for its proportionate share of the state pension plan's unfunded liability. In the prior fiscal year, the District reported positive balances in all three categories.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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.

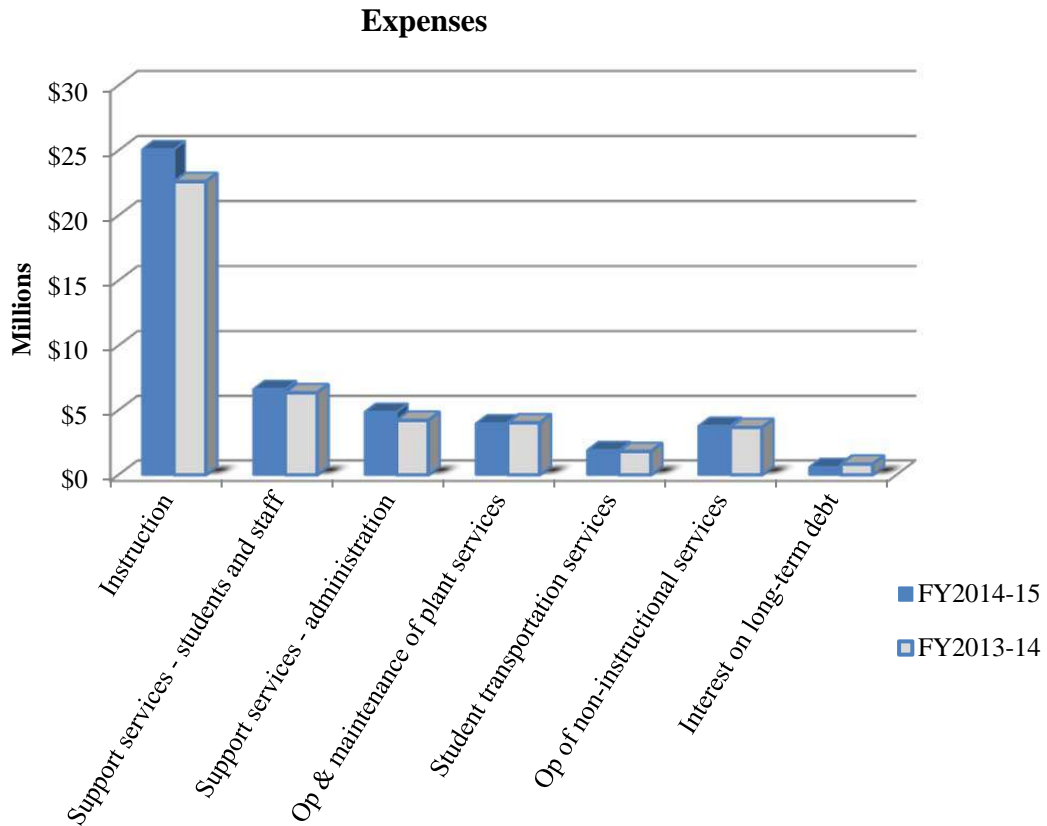
- The principal retirement of \$1.6 million of bonds.
- Accumulated depreciation increased \$2.3 million.
- The addition of \$36.3 million in pension liabilities due to the implementation of new pension reporting standards.
- The issuance of \$11.9 million of school improvement bonds.

**Changes in net position.** The District's total revenues for the current fiscal year were \$45.5 million. The total cost of all programs and services was \$46.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 886,018	\$ 841,400
Operating grants and contributions	6,919,745	8,357,119
Capital grants and contributions	229,493	322,790
General revenues:		
Property taxes	12,717,175	12,037,863
Investment income	35,223	34,573
Unrestricted county aid	2,079,064	2,006,377
Unrestricted state aid	22,493,033	21,689,531
Unrestricted federal aid	179,069	112,606
<b>Total revenues</b>	<b>45,538,820</b>	<b>45,402,259</b>
<b>Expenses:</b>		
Instruction	25,085,857	22,603,709
Support services – students and staff	6,629,917	6,344,537
Support services – administration	4,865,915	4,211,655
Operation and maintenance of plant services	3,973,182	4,016,325
Student transportation services	1,908,702	1,798,976
Operation of non-instructional services	3,781,271	3,655,958
Interest on long-term debt	601,005	822,268
<b>Total expenses</b>	<b>46,845,849</b>	<b>43,453,428</b>
<b>Changes in net position</b>	<b>(1,307,029)</b>	<b>1,948,831</b>
<b>Net position, beginning, as restated</b>	<b>31,933,143</b>	<b>65,577,095</b>
<b>Net position, ending</b>	<b>\$ 30,626,114</b>	<b>\$ 67,525,926</b>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



The following are significant current year transactions that have had an impact on the change in net position.

- Decrease in operating grants and contributions of \$1.4 million due to the District having fewer projects related to E-Rate during the year.
- Increase in expenses for instruction of \$2.5 million due to an increase in enrollment, bond issuance costs related to the issuance of \$11.9 million in school improvement bonds, and the implementation of a new pension reporting standard.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 25,085,857	\$ (23,109,878)	\$ 22,603,709	\$ (20,038,946)
Support services – students and staff	6,629,917	(5,732,069)	6,344,537	(5,326,097)
Support services – administration	4,865,915	(4,666,400)	4,211,655	(3,941,205)
Operation and maintenance of plant services	3,973,182	(3,624,666)	4,016,325	(3,311,018)
Student transportation services	1,908,702	(1,837,354)	1,798,976	(1,657,004)
Operation of non-instructional services	3,781,271	644,793	3,655,958	914,386
Interest on long-term debt	601,005	(485,019)	822,268	(572,235)
<b>Total</b>	<u>\$ 46,845,849</u>	<u>\$ (38,810,593)</u>	<u>43,453,428</u>	<u>\$ (33,932,119)</u>

- The cost of all governmental activities this year was \$46.8 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.0 million.
- Net cost of governmental activities of \$38.8 million was financed by general revenues, which are made up of primarily property taxes of \$12.7 million and state aid of \$22.5 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, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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 \$22.7 million, an increase of \$11.5 million primarily due to the issuance of \$11.9 million of school improvement bonds.

The General Fund comprises 26 percent of the total fund balance. Approximately \$4.7 million, or 80 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$418,732 in the General Fund to \$5.9 million as of fiscal year end was primarily a result of utilization of fund balance.

Fund balance of the Food Service Fund increased \$287,422 due to an increase in cash at year end.

Fund balance of the Debt Service Fund increased \$243,790 due to a decrease in the retirement of long-term debt.

Fund balance of the Bond Building Fund increased \$11.6 million due to the issuance of \$11.9 million of school improvement bonds.

**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 \$303,583 increase, or one 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 \$1.6 million in Instruction expenses was a result of increased budget capacity as a result of student growth.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$87.9 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 \$1.1 million from the prior fiscal year, primarily due to the purchase of various vehicles, furniture and equipment. Total depreciation expense for the current fiscal year was \$2.3 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of <u>June 30, 2015</u>	As of <u>June 30, 2014</u>
Capital assets – non-depreciable	\$ 7,043,101	\$ 6,884,709
Capital assets – depreciable, net	<u>60,576,830</u>	<u>61,995,851</u>
<b>Total</b>	<u>\$ 67,619,931</u>	<u>\$ 68,880,560</u>

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

**Debt Administration.** At year-end, the District had \$24.8 million in long-term debt outstanding, \$1.5 million due within one year. Long-term debt increased by \$10.5 million primarily due to a school improvement bond issuance of \$11.9 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 \$33.4 million and the Class B debt limit is \$22.3 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 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$841,420).
- District student population (estimated 5,219).

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Budgeted expenditures in the General Fund decreased five percent to \$29.6 million in fiscal year 2015-16 primarily due to statewide budget cuts of five percent and the District implementing a 180 day calendar. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**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 107<sup>th</sup> 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, 2015**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 19,359,614
Property taxes receivable	801,305
Due from governmental entities	7,429,851
Deposits	65,014
Total current assets	27,655,784
Noncurrent assets:	
Capital assets not being depreciated	7,043,101
Capital assets, net of accumulated depreciation	60,576,830
Total noncurrent assets	67,619,931
<b>Total assets</b>	<b>95,275,715</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	6,343,607
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	261,539
Construction contracts payable	199,079
Credit line payable	1,399,000
Accrued payroll and employee benefits	437,752
Compensated absences payable	137,000
Accrued interest payable	290,229
Unearned revenues	123,629
Obligations under capital leases	95,146
Bonds payable	1,450,000
Total current liabilities	4,393,374
Noncurrent liabilities:	
Non-current portion of long-term obligations	60,247,519
Total noncurrent liabilities	60,247,519
<b>Total liabilities</b>	<b>64,640,893</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	6,352,315
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	54,510,270
Restricted for:	
Voter approved initiatives	1,938,587
Federal and state projects	155,946
Food service	1,852,409
Civic center	297,601
Community school	122,500
Other local initiatives	187,832
Debt service	517,341
Capital outlay	1,412,409
Unrestricted	(30,368,781)
<b>Total net position</b>	<b>\$ 30,626,114</b>

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, 2015**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 25,085,857	\$ 325,380	\$ 1,636,179	\$ 14,420	\$ (23,109,878)
Support services - students and staff	6,629,917		897,848		(5,732,069)
Support services - administration	4,865,915	76,942	122,573		(4,666,400)
Operation and maintenance of plant services	3,973,182	133,443		215,073	(3,624,666)
Student transportation services	1,908,702		71,348		(1,837,354)
Operation of non-instructional services	3,781,271	350,253	4,075,811		644,793
Interest on long-term debt	601,005		115,986		(485,019)
<b>Total governmental activities</b>	<u>\$ 46,845,849</u>	<u>\$ 886,018</u>	<u>\$ 6,919,745</u>	<u>\$ 229,493</u>	<u>(38,810,593)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	10,391,205
Property taxes, levied for debt service	1,934,012
Property taxes, levied for capital outlay	391,958
Investment income	35,223
Unrestricted county aid	2,079,064
Unrestricted state aid	22,493,033
Unrestricted federal aid	179,069

**Total general revenues** 37,503,564

**Changes in net position** (1,307,029)

**Net position, beginning of year, as restated** 31,933,143

**Net position, end of year** \$ 30,626,114

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, 2015**

	General	Food Service	Debt Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 877,830	\$ 1,714,480	\$ 2,110,217
Property taxes receivable	724,192		31,367
Due from governmental entities	6,735,951	189,024	115,986
Due from other funds	153,839		
Deposits		65,014	
<b>Total assets</b>	<b>\$ 8,491,812</b>	<b>\$ 1,968,518</b>	<b>\$ 2,257,570</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 141,201	\$ 108,490	\$
Construction contracts payable			
Credit line payable	1,399,000		
Due to other funds			
Accrued payroll and employee benefits	408,243	7,619	
Unearned revenues			
Bonds payable			1,450,000
Bond interest payable			290,229
<b>Total liabilities</b>	<b>1,948,444</b>	<b>116,109</b>	<b>1,740,229</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	670,126		18,935
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>670,126</b>		<b>18,935</b>
Fund balances (deficits):			
Restricted	1,162,140	1,852,409	498,406
Unassigned	4,711,102		
<b>Total fund balances</b>	<b>5,873,242</b>	<b>1,852,409</b>	<b>498,406</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 8,491,812</b>	 <b>\$ 1,968,518</b>	 <b>\$ 2,257,570</b>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,854,898	\$ 2,802,189	\$ 19,359,614
	45,746	801,305
	388,890	7,429,851
		153,839
		65,014
<u>\$ 11,854,898</u>	<u>\$ 3,236,825</u>	<u>\$ 27,809,623</u>
\$ 199,079	\$ 11,848	\$ 261,539
		199,079
		1,399,000
	153,839	153,839
	21,890	437,752
	123,629	123,629
		1,450,000
		290,229
<u>199,079</u>	<u>311,206</u>	<u>4,315,067</u>
	43,501	732,562
	26,066	26,066
	<u>69,567</u>	<u>758,628</u>
11,655,819	2,926,669	18,095,443
	(70,617)	4,640,485
<u>11,655,819</u>	<u>2,856,052</u>	<u>22,735,928</u>
<u>\$ 11,854,898</u>	<u>\$ 3,236,825</u>	<u>\$ 27,809,623</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, 2015**

**Total governmental fund balances** **\$ 22,735,928**

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	\$ 87,929,601	
Less accumulated depreciation	<u>(20,309,670)</u>	67,619,931

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

Property taxes	732,562	
Intergovernmental	<u>26,066</u>	758,628

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. (502,657)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	6,343,607	
Deferred inflows of resources related to pensions	<u>(6,352,315)</u>	(8,708)

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

Compensated absences payable	(838,076)	
Obligations under capital leases	(557,823)	
Net pension liability	(36,326,109)	
Bonds payable	<u>(22,255,000)</u>	<u>(59,977,008)</u>

**Net position of governmental activities** **\$ 30,626,114**

**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, 2015**

	General	Food Service	Debt Service
<b>Revenues:</b>			
Other local	\$ 2,334,136	\$ 357,495	\$ 1,494
Property taxes	10,393,176		1,936,734
State aid and grants	20,515,451		
Federal aid, grants and reimbursements	179,069	4,075,811	115,986
<b>Total revenues</b>	<b>33,421,832</b>	<b>4,433,306</b>	<b>2,054,214</b>
<b>Expenditures:</b>			
Current -			
Instruction	17,200,705		
Support services - students and staff	4,882,435		
Support services - administration	4,093,953	105	
Operation and maintenance of plant services	3,521,080	9,328	
Student transportation services	1,379,408		
Operation of non-instructional services	14,436	3,678,524	
Capital outlay	2,136,973	144,073	
Debt service -			
Principal retirement	88,125		1,450,000
Interest and fiscal charges	48,792		582,258
Bond issuance costs			
<b>Total expenditures</b>	<b>33,365,907</b>	<b>3,832,030</b>	<b>2,032,258</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55,925</b>	<b>601,276</b>	<b>21,956</b>
<b>Other financing sources (uses):</b>			
Transfers in	446,265		221,834
Transfers out		(313,854)	
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>	<b>446,265</b>	<b>(313,854)</b>	<b>221,834</b>
<b>Changes in fund balances</b>	<b>502,190</b>	<b>287,422</b>	<b>243,790</b>
<b>Fund balances, beginning of year</b>	<b>6,291,974</b>	<b>1,564,987</b>	<b>254,616</b>
Increase (decrease) in reserve for prepaid items	(920,922)		
<b>Fund balances, end of year</b>	<b>\$ 5,873,242</b>	<b>\$ 1,852,409</b>	<b>\$ 498,406</b>

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 4,038	\$ 349,011	\$ 3,046,174
	379,610	12,709,520
	2,004,796	22,520,247
	3,013,033	7,383,899
<u>4,038</u>	<u>5,746,450</u>	<u>45,659,840</u>
	2,971,783	20,172,488
	1,273,044	6,155,479
	218,881	4,312,939
	132,816	3,663,224
	76,774	1,456,182
187,391	1,165,635	3,692,960
		3,634,072
		1,538,125
		631,050
224,741		224,741
<u>412,132</u>	<u>5,838,933</u>	<u>45,481,260</u>
<u>(408,094)</u>	<u>(92,483)</u>	<u>178,580</u>
		668,099
(221,834)	(132,411)	(668,099)
11,860,000		11,860,000
409,937		409,937
<u>12,048,103</u>	<u>(132,411)</u>	<u>12,269,937</u>
<u>11,640,009</u>	<u>(224,894)</u>	<u>12,448,517</u>
15,810	3,080,946	11,208,333
		(920,922)
<u>\$ 11,655,819</u>	<u>\$ 2,856,052</u>	<u>\$ 22,735,928</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, 2015**

**Net changes in fund balances - total governmental funds** **\$ 11,527,595**

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	\$ 1,074,517	
Less current year depreciation	<u>(2,334,931)</u>	(1,260,414)

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (11,860,000)

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

Property taxes	7,655	
Intergovernmental	<u>(128,675)</u>	(121,020)

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	88,125	
Bond principal retirement	<u>1,450,000</u>	1,538,125

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	2,511,746	
Pension expense	<u>(3,253,780)</u>	(742,034)

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	(215)	
Amortization of deferred bond items	(379,892)	
Compensated absences	<u>(9,174)</u>	<u>(389,281)</u>

**Change in net position in governmental activities** **\$ (1,307,029)**

**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, 2015**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 47,410
<b>Total assets</b>	<b>\$ 47,410</b>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 6,479
Due to student groups	40,931
<b>Total liabilities</b>	<b>\$ 47,410</b>

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, 2015**

**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, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 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, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

Bond Building – The Bond Building Fund accounts 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.

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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

**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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Property Tax Calendar**

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that 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.

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, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

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. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. 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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**N. 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.

**O. 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.

**P. 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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

***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.

***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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instruction Improvement Funds.

	General Fund	Food Service Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	\$	\$	\$ 498,406	\$	\$
Capital projects	1,162,140				250,269
Bond building projects				11,655,819	
Voter approved initiatives					1,938,587
Federal and state projects					129,880
Food service		1,852,409			
Civic center					297,601
Community school					122,500
Other purposes					187,832
Unassigned	4,711,102				(70,617)
Total fund balances	<u>\$ 5,873,242</u>	<u>\$ 1,852,409</u>	<u>\$ 498,406</u>	<u>\$ 11,655,819</u>	<u>\$ 2,856,052</u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Adjacent Ways Fund, a non-major governmental fund, reported a deficit in fund balance of \$70,617.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficit.

**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 \$23,256 and the bank balance was \$747,025. All of the bank balance was insured or collateralized by the pledging financial institution in the District’s name.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – CASH AND INVESTMENTS**

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:

	Average Maturities	Fair Value
County Treasurer’s investment pool	367 days	\$ 19,383,768
Total		\$ 19,383,768

*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.

**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:

	General Fund	Food Service Fund	Debt Service Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 189,024	\$ 115,986	\$ 152,590
Due from state government	6,735,951			236,300
Net due from governmental entities	\$ 6,735,951	\$ 189,024	\$ 115,986	\$ 388,890

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,766,568	\$	\$	\$ 6,766,568
Construction in progress	118,141	158,392		276,533
Total capital assets, not being depreciated	<u>6,884,709</u>	<u>158,392</u>		<u>7,043,101</u>
Capital assets, being depreciated:				
Land improvements	1,020,390	119,712		1,140,102
Buildings and improvements	72,635,658	155,125		72,790,783
Vehicles, furniture and equipment	6,330,327	641,288	16,000	6,955,615
Total capital assets being depreciated	<u>79,986,375</u>	<u>916,125</u>	<u>16,000</u>	<u>80,886,500</u>
Less accumulated depreciation for:				
Land improvements	(764,835)	(44,169)		(809,004)
Buildings and improvements	(13,892,673)	(1,737,133)		(15,629,806)
Vehicles, furniture and equipment	(3,333,016)	(553,629)	(15,785)	(3,870,860)
Total accumulated depreciation	<u>(17,990,524)</u>	<u>(2,334,931)</u>	<u>(15,785)</u>	<u>(20,309,670)</u>
Total capital assets, being depreciated, net	<u>61,995,851</u>	<u>(1,418,806)</u>	215	<u>60,576,830</u>
Governmental activities capital assets, net	<u>\$ 68,880,560</u>	<u>\$ (1,260,414)</u>	<u>\$ 215</u>	<u>\$ 67,619,931</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,698,299
Support services – students and staff	48,649
Support services – administration	229,953
Operation and maintenance of plant services	125,518
Student transportation services	199,505
Operation of non-instructional services	33,007
Total depreciation expense – governmental activities	<u>\$ 2,334,931</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects. At year end, the District had spent \$276,533 on the projects and had estimated remaining contractual commitments of \$1,311,372. These projects are being funded with monies from the Unrestricted Capital and Bond Building Funds.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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	\$ 1,419,000	\$ 13,692,000	\$ 13,712,000	\$ 1,399,000

**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. Amortization of assets recorded under capital leases is included with depreciation expense.

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	256,710
Total	\$ 737,006

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

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

Year Ending June 30:	Governmental Activities
2016	\$ 136,917
2017	136,916
2018	136,917
2019	136,917
2020	136,916
Total minimum lease payments	684,583
Less: amount representing interest	126,760
Present value of minimum lease payments	557,823
Due within one year	\$ 95,146

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$2.39 million remains unissued. 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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project of 2006, Series B (2007)	\$ 7,830,000	3.5-4.0%	7/1/15-20	\$ 5,155,000	\$ 775,000
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%	7/1/15-17	2,090,000	675,000
School Improvement Bonds, Project of 2014, Series A (2015)	11,860,000	2.0-4.0%	7/1/16-32	11,860,000	
Total				\$ 23,705,000	\$ 1,450,000



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2016	\$ 1,450,000	\$ 785,955
2017	1,525,000	925,646
2018	1,590,000	867,471
2019	1,575,000	804,644
2020	1,645,000	733,559
2021-25	6,825,000	2,689,278
2026-30	6,185,000	1,186,680
2031-35	2,910,000	162,532
Total	<u>\$ 23,705,000</u>	<u>\$ 8,155,765</u>

**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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 13,485,000	\$ 11,860,000	\$ 1,640,000	\$ 23,705,000	\$ 1,450,000
Premium	122,765	409,937	30,045	502,657	
Total bonds payable	<u>13,607,765</u>	<u>12,269,937</u>	<u>1,670,045</u>	<u>24,207,657</u>	<u>1,450,000</u>
Obligations under capital leases	645,948		88,125	557,823	95,146
Net pension liability	35,592,783	733,326		36,326,109	
Compensated absences payable	<u>828,902</u>	<u>535,686</u>	<u>526,512</u>	<u>838,076</u>	<u>137,000</u>
Governmental activity long-term liabilities	<u>\$ 50,675,398</u>	<u>\$ 13,538,949</u>	<u>\$ 2,284,682</u>	<u>\$ 61,929,665</u>	<u>\$ 1,682,146</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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 \$153,839. 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.

**Interfund transfers:**

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
		Fund	
Food Service Fund	\$ 313,854	\$	\$ 313,854
Bond Building Fund		221,834	221,834
Non-Major Governmental Funds	132,411		132,411
Total	\$ 446,265	\$ 221,834	\$ 668,099

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.

**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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 12 – CONTINGENT LIABILITIES**

**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.

**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 joined the Arizona School Alliance for Workers’ Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers’ compensation claims. The Alliance 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 quarterly premiums to the Alliance for its employee workers’ compensation coverage. The agreement provides that the Alliance will be self-sustaining through members’ premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description.** District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits Provided.** The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 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 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2015 were \$2,511,746.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	136,082	\$	27,678
2014		132,706		53,082
2013		131,690		48,624

**Pension Liability.** At June 30, 2015, the District reported a liability of \$36.3 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District’s proportion was 0.025 percent, which was an increase of 0.02 percent from its proportion measured as of June 30, 2013.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the District recognized pension expense of \$3.3 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,846,199	\$
Net difference between projected and actual earnings on pension plan investments		6,352,315
Changes in proportion and differences between contributions and proportionate share of contributions	1,985,662	
Contributions subsequent to the measurement date	<u>2,511,746</u>	
Total	<u>\$ 6,343,607</u>	<u>\$ 6,352,315</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:			
2016	\$	77,948	
2017		77,948	
2018		(1,088,271)	
2019		(1,588,079)	

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	<u>100%</u>	

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(7.0%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(8.0%)</u>	<u>1% Increase</u> <u>(9.0%)</u>
Proportionate share of the net pension liability	\$45,914,339	\$ 36,326,109	\$31,124,013

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**Beginning Net Position Restatement.** The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	<u>Statement of</u> <u>Activities</u>
Net position, June 30, 2014, as previously reported	\$ 67,525,926
Net pension liability	(35,592,783)
Net position, July 1, 2014, as restated	<u>\$ 31,933,143</u>



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**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, 2015**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 2,093,743	\$ 2,093,743
Property taxes			8,299,374	8,299,374
State aid and grants			20,400,100	20,400,100
<b>Total revenues</b>			<u>30,793,217</u>	<u>30,793,217</u>
<b>Expenditures:</b>				
Current -				
Instruction	18,412,191	18,598,874	16,970,065	1,628,809
Support services - students and staff	4,288,929	4,313,929	4,666,215	(352,286)
Support services - administration	3,413,074	3,504,974	3,756,180	(251,206)
Operation and maintenance of plant services	3,288,203	3,288,203	3,510,272	(222,069)
Student transportation services	1,380,855	1,380,855	1,348,643	32,212
Operation of non-instructional services	31,865	31,865	13,548	18,317
<b>Total expenditures</b>	<u>30,815,117</u>	<u>31,118,700</u>	<u>30,264,923</u>	<u>853,777</u>
<b>Changes in fund balances</b>	<u>(30,815,117)</u>	<u>(31,118,700)</u>	<u>528,294</u>	<u>31,646,994</u>
<b>Fund balances, beginning of year</b>			2,153,295	2,153,295
Increase (decrease) in reserve for prepaid items			(720,922)	(720,922)
<b>Fund balances (deficits), end of year</b>	<u>\$ (30,815,117)</u>	<u>\$ (31,118,700)</u>	<u>\$ 1,960,667</u>	<u>\$ 33,079,367</u>

See accompanying notes to this schedule.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOOD SERVICE**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 357,495	\$ 357,495
Federal aid, grants and reimbursements			4,075,811	4,075,811
<b>Total revenues</b>			<u>4,433,306</u>	<u>4,433,306</u>
<b>Expenditures:</b>				
Current -				
Support services - administration			105	(105)
Operation and maintenance of plant services			9,328	(9,328)
Operation of non-instructional services	3,535,900	3,810,900	3,678,524	132,376
Capital outlay			144,073	(144,073)
<b>Total expenditures</b>	<u>3,535,900</u>	<u>3,810,900</u>	<u>3,832,030</u>	<u>(21,130)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,535,900)</u>	<u>(3,810,900)</u>	<u>601,276</u>	<u>4,412,176</u>
<b>Other financing sources (uses):</b>				
Transfers out			(313,854)	(313,854)
<b>Total other financing sources (uses):</b>			<u>(313,854)</u>	<u>(313,854)</u>
<b>Changes in fund balances</b>	<u>(3,535,900)</u>	<u>(3,810,900)</u>	<u>287,422</u>	<u>4,098,322</u>
<b>Fund balances, beginning of year</b>			1,564,987	1,564,987
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,535,900)</u>	<u>\$ (3,810,900)</u>	<u>\$ 1,852,409</u>	<u>\$ 5,663,309</u>

See accompanying notes to this schedule.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

**2015**

District's proportion of the net pension liability (asset)	0.25%
District's proportionate share of the net pension liability (asset)	\$ 36,326,109
District's covered-employee payroll	\$ 22,264,336
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	163.16%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

**SCHEDULE OF CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

**2015**

Actuarially determined contribution	\$ 2,511,746
Contributions in relation to the actuarially determined contribution	<u>2,511,746</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 23,053,626
Contributions as a percentage of covered-employee payroll	10.90%

See accompanying notes to this schedule.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**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:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 33,365,907	\$ 5,873,242
Activity budgeted as special revenue funds	(687,864)	(2,750,435)
Activity budgeted as capital projects funds	(2,263,120)	(1,162,140)
Current-year prepaid items	200,000	
Prior year prepaid items	(350,000)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 30,264,923	\$ 1,960,667

**NOTE 2 – PENSION PLAN SCHEDULES**

**Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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**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, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,551,920	\$ 250,269	\$ 2,802,189
Property taxes receivable		45,746	45,746
Due from governmental entities	388,890		388,890
<b>Total assets</b>	<b><u>\$ 2,940,810</u></b>	<b><u>\$ 296,015</u></b>	<b><u>\$ 3,236,825</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 11,848	\$	\$ 11,848
Due to other funds	80,977	72,862	153,839
Accrued payroll and employee benefits	21,890		21,890
Unearned revenues	123,629		123,629
<b>Total liabilities</b>	<b><u>238,344</u></b>	<b><u>72,862</u></b>	<b><u>311,206</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		43,501	43,501
Unavailable revenues - intergovernmental	26,066		26,066
<b>Total deferred inflows of resources</b>	<b><u>26,066</u></b>	<b><u>43,501</u></b>	<b><u>69,567</u></b>
Fund balances (deficits):			
Restricted	2,676,400	250,269	2,926,669
Unassigned		(70,617)	(70,617)
<b>Total fund balances</b>	<b><u>2,676,400</u></b>	<b><u>179,652</u></b>	<b><u>2,856,052</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 2,940,810</u></b>	<b><u>\$ 296,015</u></b>	<b><u>\$ 3,236,825</u></b>

**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, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 345,539	\$ 3,472	\$ 349,011
Property taxes		379,610	379,610
State aid and grants	2,004,796		2,004,796
Federal aid, grants and reimbursements	<u>3,013,033</u>		<u>3,013,033</u>
<b>Total revenues</b>	<u>5,363,368</u>	<u>383,082</u>	<u>5,746,450</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,971,783		2,971,783
Support services - students and staff	1,273,044		1,273,044
Support services - administration	218,881		218,881
Operation and maintenance of plant services	132,816		132,816
Student transportation services	76,774		76,774
Capital outlay	<u>208,753</u>	<u>956,882</u>	<u>1,165,635</u>
<b>Total expenditures</b>	<u>4,882,051</u>	<u>956,882</u>	<u>5,838,933</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>481,317</u>	<u>(573,800)</u>	<u>(92,483)</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(132,411)</u>		<u>(132,411)</u>
<b>Total other financing sources (uses):</b>	<u>(132,411)</u>		<u>(132,411)</u>
<b>Changes in fund balances</b>	<u>348,906</u>	<u>(573,800)</u>	<u>(224,894)</u>
<b>Fund balances, beginning of year</b>	2,327,494	753,452	3,080,946
<b>Fund balances, end of year</b>	<u>\$ 2,676,400</u>	<u>\$ 179,652</u>	<u>\$ 2,856,052</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.

**Student Success** - to account for student success monies.

**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.

**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, 2015**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,461,545	\$ 240,742	\$ 3,237
Due from governmental entities	147,616	88,684	
<b>Total assets</b>	<b>\$ 1,609,161</b>	<b>\$ 329,426</b>	<b>\$ 3,237</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Restricted	1,609,161	329,426	3,237
<b>Total fund balances</b>	<b>1,609,161</b>	<b>329,426</b>	<b>3,237</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,609,161</b>	<b>\$ 329,426</b>	<b>\$ 3,237</b>

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$ 33	\$ 75,097	\$ 2,506	\$ 951	\$ 13,095	\$ 118,071
<u>\$ 33</u>	<u>\$ 75,097</u>	<u>\$ 2,506</u>	<u>\$ 951</u>	<u>\$ 13,095</u>	<u>\$ 53,993</u>
					<u>\$ 172,064</u>
\$	\$ 69,248	\$ 2,506	\$ 951	\$ 1,324	\$ 11,848
	5,849			11,771	4,270
<u>33</u>	<u>75,097</u>	<u>2,506</u>	<u>951</u>	<u>13,095</u>	<u>16,118</u>
					<u>26,066</u>
					<u>129,880</u>
					<u>129,880</u>
<u>\$ 33</u>	<u>\$ 75,097</u>	<u>\$ 2,506</u>	<u>\$ 951</u>	<u>\$ 13,095</u>	<u>\$ 172,064</u>

(Continued)



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Other Federal Projects	Other State Projects	Civic Center
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 123,596	\$ 297,601
Due from governmental entities	6,948		
<b>Total assets</b>	\$ 6,948	\$ 123,596	\$ 297,601
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	6,948		
Accrued payroll and employee benefits			
Unearned revenues		123,596	
<b>Total liabilities</b>	6,948	123,596	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Restricted			297,601
<b>Total fund balances</b>			297,601
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 6,948	\$ 123,596	\$ 297,601

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Intergovernmental Agreements</u>
\$ 122,500	\$ 78,944	\$ 299	\$ 21,130	\$ 15,088	\$ 69,134
<u>\$ 122,500</u>	<u>\$ 78,944</u>	<u>\$ 299</u>	<u>\$ 21,130</u>	<u>\$ 15,088</u>	<u>\$ 69,134</u>
\$	\$	\$	\$	\$	\$
<u>122,500</u>	<u>78,944</u>	<u>299</u>	<u>21,130</u>	<u>15,088</u>	<u>69,134</u>
<u>122,500</u>	<u>78,944</u>	<u>299</u>	<u>21,130</u>	<u>15,088</u>	<u>69,134</u>
<u>\$ 122,500</u>	<u>\$ 78,944</u>	<u>\$ 299</u>	<u>\$ 21,130</u>	<u>\$ 15,088</u>	<u>\$ 69,134</u>

(Continued)

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Totals
<b><u>ASSETS</u></b>	
Cash and investments	\$ 2,551,920
Due from governmental entities	388,890
<b>Total assets</b>	<b>\$ 2,940,810</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	
Liabilities:	
Accounts payable	\$ 11,848
Due to other funds	80,977
Accrued payroll and employee benefits	21,890
Unearned revenues	123,629
<b>Total liabilities</b>	<b>238,344</b>
Deferred inflows of resources:	
Unavailable revenues - intergovernmental	26,066
Fund balances:	
Restricted	2,676,400
<b>Total fund balances</b>	<b>2,676,400</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 2,940,810</b>

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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, 2015**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 5,178	\$ 1,346	\$ 12,009
State aid and grants	1,771,396	206,186	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	1,776,574	207,532	12,009
<b>Expenditures:</b>			
Current -			
Instruction	1,260,090	45,600	7,733
Support services - students and staff	80,511	214,381	348
Support services - administration		360	
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			1,267
<b>Total expenditures</b>	1,340,601	260,341	9,348
<b>Excess (deficiency) of revenues over expenditures</b>	435,973	(52,809)	2,661
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	435,973	(52,809)	2,661
<b>Fund balances, beginning of year</b>	1,173,188	382,235	576
<b>Fund balances, end of year</b>	\$ 1,609,161	\$ 329,426	\$ 3,237

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate
\$ 25,580	\$ 960,012	\$ 63,392	\$ 143,318	\$ 764,890	\$ 345
<u>25,580</u>	<u>960,012</u>	<u>63,392</u>	<u>143,318</u>	<u>764,890</u>	<u>215,073</u>
					<u>215,418</u>
25,435	320,669		65,302	479,446	38,579
	521,896	26,777	75,567	152,300	57,292
145	35,091	31,928	1,887	7,509	54,198
	8,831			58,020	239
	2,588			11,832	134,269
<u>25,580</u>	<u>889,075</u>	<u>58,705</u>	<u>142,756</u>	<u>709,107</u>	<u>284,577</u>
	70,937	4,687	562	55,783	(69,159)
	(70,937)	(4,687)	(562)	(55,783)	
	<u>(70,937)</u>	<u>(4,687)</u>	<u>(562)</u>	<u>(55,783)</u>	
					(69,159)
					199,039
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 129,880</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, 2015**

	Other Federal Projects	Other State Projects	Civic Center
<b>Revenues:</b>			
Other local	\$	\$	\$ 211,602
State aid and grants		1,634	
Federal aid, grants and reimbursements	866,348		
<b>Total revenues</b>	866,348	1,634	211,602
<b>Expenditures:</b>			
Current -			
Instruction	689,981	1,634	3,529
Support services - students and staff	138,312		2,072
Support services - administration	36,477		47,888
Operation and maintenance of plant services			83,053
Student transportation services	1,136		1,769
Capital outlay			
<b>Total expenditures</b>	865,906	1,634	138,311
<b>Excess (deficiency) of revenues over expenditures</b>	442		73,291
<b>Other financing sources (uses):</b>			
Transfers out	(442)		
<b>Total other financing sources (uses):</b>	(442)		
<b>Changes in fund balances</b>			73,291
<b>Fund balances, beginning of year</b>			224,310
<b>Fund balances, end of year</b>	\$	\$	\$ 297,601

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Intergovernmental Agreements</u>
\$ 18,214	\$ 34,285	\$ 859	\$ 1,887	\$ 69	\$ 59,745
<u>18,214</u>	<u>34,285</u>	<u>859</u>	<u>1,887</u>	<u>69</u>	<u>59,745</u>
5,083	28,542		160		
	2,500	898	3,588		
	6,779				49,763
<u>58,016</u>	<u>781</u>				
<u>63,099</u>	<u>38,602</u>	<u>898</u>	<u>3,748</u>		<u>49,763</u>
<u>(44,885)</u>	<u>(4,317)</u>	<u>(39)</u>	<u>(1,861)</u>	<u>69</u>	<u>9,982</u>
<u>(44,885)</u>	<u>(4,317)</u>	<u>(39)</u>	<u>(1,861)</u>	<u>69</u>	<u>9,982</u>
167,385	83,261	338	22,991	15,019	59,152
<u>\$ 122,500</u>	<u>\$ 78,944</u>	<u>\$ 299</u>	<u>\$ 21,130</u>	<u>\$ 15,088</u>	<u>\$ 69,134</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, 2015**

	Totals
<b>Revenues:</b>	
Other local	\$ 345,539
State aid and grants	2,004,796
Federal aid, grants and reimbursements	3,013,033
<b>Total revenues</b>	<b>5,363,368</b>
 <b>Expenditures:</b>	
Current -	
Instruction	2,971,783
Support services - students and staff	1,273,044
Support services - administration	218,881
Operation and maintenance of plant services	132,816
Student transportation services	76,774
Capital outlay	208,753
<b>Total expenditures</b>	<b>4,882,051</b>
 <b>Excess (deficiency) of revenues over expenditures</b>	 <b>481,317</b>
 <b>Other financing sources (uses):</b>	
Transfers out	(132,411)
<b>Total other financing sources (uses):</b>	<b>(132,411)</b>
 <b>Changes in fund balances</b>	 <b>348,906</b>
 <b>Fund balances, beginning of year</b>	 <b>2,327,494</b>
 <b>Fund balances, end of year</b>	 <b>\$ 2,676,400</b>

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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, 2015**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 5,178	\$ 5,178
State aid and grants		1,771,396	1,771,396
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,776,574</u>	<u>1,776,574</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,885,936	1,260,090	1,625,846
Support services - students and staff	133,749	80,511	53,238
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>3,019,685</u>	<u>1,340,601</u>	<u>1,679,084</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,019,685)</u>	<u>435,973</u>	<u>3,455,658</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(3,019,685)</u>	<u>435,973</u>	<u>3,455,658</u>
<b>Fund balances, beginning of year</b>		1,173,188	1,173,188
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,019,685)</u>	<u>\$ 1,609,161</u>	<u>\$ 4,628,846</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,346	\$ 1,346	\$	\$ 12,009	\$ 12,009
	206,186	206,186			
	<u>207,532</u>	<u>207,532</u>		<u>12,009</u>	<u>12,009</u>
	45,600	(45,600)	12,000	7,733	4,267
307,786	214,381	93,405		348	(348)
	360	(360)			
				1,267	(1,267)
<u>307,786</u>	<u>260,341</u>	<u>47,445</u>	<u>12,000</u>	<u>9,348</u>	<u>2,652</u>
<u>(307,786)</u>	<u>(52,809)</u>	<u>254,977</u>	<u>(12,000)</u>	<u>2,661</u>	<u>14,661</u>
<u>(307,786)</u>	<u>(52,809)</u>	<u>254,977</u>	<u>(12,000)</u>	<u>2,661</u>	<u>14,661</u>
	382,235	382,235		576	576
<u>\$ (307,786)</u>	<u>\$ 329,426</u>	<u>\$ 637,212</u>	<u>\$ (12,000)</u>	<u>\$ 3,237</u>	<u>\$ 15,237</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, 2015**

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		25,580	25,580
Federal aid, grants and reimbursements			
<b>Total revenues</b>		25,580	25,580
<b>Expenditures:</b>			
Current -			
Instruction	25,579	25,435	144
Support services - students and staff			
Support services - administration		145	(145)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	25,579	25,580	(1)
<b>Excess (deficiency) of revenues over expenditures</b>	(25,579)		25,579
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(25,579)		25,579
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (25,579)	\$	\$ 25,579

Compensatory Instruction			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				96,111	96,111
				96,111	96,111
585		585	32,037	8,619	23,418
			32,037	11,735	20,302
				13,199	(13,199)
			32,037	9,084	22,953
				6,993	(6,993)
				888	(888)
585		585	96,111	50,518	45,593
(585)		585	(96,111)	45,593	141,704
(585)		585	(96,111)	45,593	141,704
\$ (585)	\$	\$ 585	\$ (96,111)	\$ 45,593	\$ 141,704

**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, 2015**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		960,012	960,012
<b>Total revenues</b>		<u>960,012</u>	<u>960,012</u>
<b>Expenditures:</b>			
Current -			
Instruction	546,787	320,669	226,118
Support services - students and staff	700,000	521,896	178,104
Support services - administration		35,091	(35,091)
Operation and maintenance of plant services			
Student transportation services		8,831	(8,831)
Operation of non-instructional services			
Capital outlay		2,588	(2,588)
<b>Total expenditures</b>	<u>1,246,787</u>	<u>889,075</u>	<u>357,712</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,246,787)</u>	<u>70,937</u>	<u>1,317,724</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(70,937)	(70,937)
<b>Total other financing sources (uses):</b>		<u>(70,937)</u>	<u>(70,937)</u>
<b>Changes in fund balances</b>	<u>(1,246,787)</u>		<u>1,246,787</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,246,787)</u>	<u>\$</u>	<u>\$ 1,246,787</u>

Professional Development and Technology Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	63,392	63,392		143,318	143,318
	63,392	63,392		143,318	143,318
	26,777	(26,777)	95,133	65,302	29,831
126,460	31,928	94,532	100,133	75,567	24,566
				1,887	(1,887)
<u>126,460</u>	<u>58,705</u>	<u>67,755</u>	<u>195,266</u>	<u>142,756</u>	<u>52,510</u>
<u>(126,460)</u>	<u>4,687</u>	<u>131,147</u>	<u>(195,266)</u>	<u>562</u>	<u>195,828</u>
	(4,687)	(4,687)		(562)	(562)
	(4,687)	(4,687)		(562)	(562)
<u>(126,460)</u>		<u>126,460</u>	<u>(195,266)</u>		<u>195,266</u>
<u>\$ (126,460)</u>	<u>\$</u>	<u>\$ 126,460</u>	<u>\$ (195,266)</u>	<u>\$</u>	<u>\$ 195,266</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, 2015**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		764,890	764,890
<b>Total revenues</b>		<u>764,890</u>	<u>764,890</u>
<b>Expenditures:</b>			
Current -			
Instruction	861,686	479,446	382,240
Support services - students and staff		152,300	(152,300)
Support services - administration		7,509	(7,509)
Operation and maintenance of plant services			
Student transportation services		58,020	(58,020)
Operation of non-instructional services			
Capital outlay		11,832	(11,832)
<b>Total expenditures</b>	<u>861,686</u>	<u>709,107</u>	<u>152,579</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(861,686)</u>	<u>55,783</u>	<u>917,469</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(55,783)	(55,783)
<b>Total other financing sources (uses):</b>		<u>(55,783)</u>	<u>(55,783)</u>
<b>Changes in fund balances</b>	<u>(861,686)</u>		<u>861,686</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (861,686)</u>	<u>\$</u>	<u>\$ 861,686</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,830	\$ 2,830	\$	\$ 345	\$ 345
	179,069	179,069		215,073	215,073
	181,899	181,899		215,418	215,418
	26,274	(26,274)		38,579	(38,579)
	8,855	(8,855)		57,292	(57,292)
636,975	47,401	589,574		54,198	(54,198)
	1,724	(1,724)		239	(239)
	3,723	(3,723)	318,345	134,269	184,076
636,975	87,977	548,998	318,345	284,577	33,768
(636,975)	93,922	730,897	(318,345)	(69,159)	249,186
(636,975)	93,922	730,897	(318,345)	(69,159)	249,186
	1,154,688	1,154,688		199,039	199,039
\$ (636,975)	\$ 1,248,610	\$ 1,885,585	\$ (318,345)	\$ 129,880	\$ 448,225

(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, 2015**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		866,348	866,348
<b>Total revenues</b>		<u>866,348</u>	<u>866,348</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,014,972	689,981	324,991
Support services - students and staff		138,312	(138,312)
Support services - administration		36,477	(36,477)
Operation and maintenance of plant services			
Student transportation services		1,136	(1,136)
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,014,972</u>	<u>865,906</u>	<u>149,066</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,014,972)</u>	<u>442</u>	<u>1,015,414</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(442)	(442)
<b>Total other financing sources (uses):</b>		<u>(442)</u>	<u>(442)</u>
<b>Changes in fund balances</b>	<u>(1,014,972)</u>		<u>1,014,972</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,014,972)</u>	<u>\$</u>	<u>\$ 1,014,972</u>

Environmental Special Plate			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				1,634	1,634
				1,634	1,634
36,000		36,000	112,908	1,634	111,274
36,000		36,000	112,908	1,634	111,274
(36,000)		36,000	(112,908)		112,908
(36,000)		36,000	(112,908)		112,908
\$ (36,000)	\$	\$ 36,000	\$ (112,908)	\$	\$ 112,908

**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, 2015**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 19,716	\$ 19,716
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>19,716</u>	<u>19,716</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	12,000		12,000
<b>Total expenditures</b>	<u>12,000</u>		<u>12,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(12,000)</u>	<u>19,716</u>	<u>31,716</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(12,000)</u>	<u>19,716</u>	<u>31,716</u>
<b>Fund balances, beginning of year</b>		189,049	189,049
<b>Fund balances (deficits), end of year</b>	<u>\$ (12,000)</u>	<u>\$ 208,765</u>	<u>\$ 220,765</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 211,602	\$ 211,602	\$	\$ 18,214	\$ 18,214
	<u>211,602</u>	<u>211,602</u>		<u>18,214</u>	<u>18,214</u>
	3,529	(3,529)		5,083	(5,083)
	2,072	(2,072)			
	47,888	(47,888)			
268,387	83,053	185,334			
	1,769	(1,769)			
			216,387	58,016	158,371
<u>268,387</u>	<u>138,311</u>	<u>130,076</u>	<u>216,387</u>	<u>63,099</u>	<u>153,288</u>
<u>(268,387)</u>	<u>73,291</u>	<u>341,678</u>	<u>(216,387)</u>	<u>(44,885)</u>	<u>171,502</u>
<u>(268,387)</u>	<u>73,291</u>	<u>341,678</u>	<u>(216,387)</u>	<u>(44,885)</u>	<u>171,502</u>
	224,310	224,310		167,385	167,385
<u>\$ (268,387)</u>	<u>\$ 297,601</u>	<u>\$ 565,988</u>	<u>\$ (216,387)</u>	<u>\$ 122,500</u>	<u>\$ 338,887</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, 2015**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 142,862	\$ 142,862
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		142,862	142,862
<b>Expenditures:</b>			
Current -			
Instruction		19,670	(19,670)
Support services - students and staff	206,691	40,196	166,495
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		15,885	(15,885)
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	206,691	75,751	130,940
<b>Excess (deficiency) of revenues over expenditures</b>	(206,691)	67,111	273,802
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(206,691)	67,111	273,802
<b>Fund balances, beginning of year</b>		95,969	95,969
<b>Fund balances (deficits), end of year</b>	\$ (206,691)	\$ 163,080	\$ 369,771

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 34,285	\$ 34,285	\$	\$ 67,305	\$ 67,305
	<u>34,285</u>	<u>34,285</u>		<u>67,305</u>	<u>67,305</u>
116,215	28,542	87,673	176,815	26,077	150,738
	2,500	(2,500)		13,805	(13,805)
	6,779	(6,779)		4,285	(4,285)
	781	(781)		7,887	(7,887)
<u>116,215</u>	<u>38,602</u>	<u>77,613</u>	<u>176,815</u>	<u>2,862</u>	<u>(2,862)</u>
<u>(116,215)</u>	<u>(4,317)</u>	<u>111,898</u>	<u>(176,815)</u>	<u>54,916</u>	<u>121,899</u>
<u>(116,215)</u>	<u>(4,317)</u>	<u>111,898</u>	<u>(176,815)</u>	<u>12,389</u>	<u>189,204</u>
	83,261	83,261		79,093	79,093
<u>\$ (116,215)</u>	<u>\$ 78,944</u>	<u>\$ 195,159</u>	<u>\$ (176,815)</u>	<u>\$ 91,482</u>	<u>\$ 268,297</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, 2015**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 859	\$ 859
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>6,000</u>	<u>859</u>	<u>859</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	6,000	898	5,102
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>6,000</u>	<u>898</u>	<u>5,102</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,000)</u>	<u>(39)</u>	<u>5,961</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u></u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>(6,000)</u>	<u>(39)</u>	<u>5,961</u>
<b>Fund balances, beginning of year</b>		338	338
<b>Fund balances (deficits), end of year</b>	<u>\$ (6,000)</u>	<u>\$ 299</u>	<u>\$ 6,299</u>

School Opening			Insurance Proceeds		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 14	\$ 14	\$	\$ 22	\$ 22
	<u>14</u>	<u>14</u>		<u>22</u>	<u>22</u>
			<u>39,300</u>	<u>4,185</u>	<u>35,115</u>
			<u>39,300</u>	<u>4,185</u>	<u>35,115</u>
	<u>14</u>	<u>14</u>	<u>(39,300)</u>	<u>(4,163)</u>	<u>35,137</u>
	<u>14</u>	<u>14</u>	<u>(39,300)</u>	<u>(4,163)</u>	<u>35,137</u>
	<u>2,952</u>	<u>2,952</u>		<u>7,831</u>	<u>7,831</u>
<u>\$</u>	<u>\$ 2,966</u>	<u>\$ 2,966</u>	<u>\$ (39,300)</u>	<u>\$ 3,668</u>	<u>\$ 42,968</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, 2015**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,887	\$ 1,887
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>                    1,887</u>	<u>                    1,887</u>
<b>Expenditures:</b>			
Current -			
Instruction		160	(160)
Support services - students and staff	23,796	3,588	20,208
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>                    23,796</u>	<u>                    3,748</u>	<u>                    20,048</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>                    (23,796)</u>	<u>                    (1,861)</u>	<u>                    21,935</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>                    (23,796)</u>	<u>                    (1,861)</u>	<u>                    21,935</u>
<b>Fund balances, beginning of year</b>		22,991	22,991
<b>Fund balances (deficits), end of year</b>	<u>                    \$ (23,796)</u>	<u>                    \$ 21,130</u>	<u>                    \$ 44,926</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,143	\$ 1,143	\$	\$ 2,993	\$ 2,993
	<u>1,143</u>	<u>1,143</u>		<u>2,993</u>	<u>2,993</u>
30,000		30,000	850,000	141,629	(141,629)
				272,888	577,112
<u>30,000</u>		<u>30,000</u>	<u>850,000</u>	<u>414,517</u>	<u>435,483</u>
<u>(30,000)</u>	<u>1,143</u>	<u>31,143</u>	<u>(850,000)</u>	<u>(411,524)</u>	<u>438,476</u>
				446,265	446,265
				<u>446,265</u>	<u>446,265</u>
<u>(30,000)</u>	<u>1,143</u>	<u>31,143</u>	<u>(850,000)</u>	<u>34,741</u>	<u>884,741</u>
	51,990	51,990		897,502	897,502
<u>\$ (30,000)</u>	<u>\$ 53,133</u>	<u>\$ 83,133</u>	<u>\$ (850,000)</u>	<u>\$ 932,243</u>	<u>\$ 1,782,243</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, 2015**

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 69	\$ 69
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>69</u>	<u>69</u>
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>	<u>10,000</u>		<u>10,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,000)</u>	<u>69</u>	<u>10,069</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(10,000)</u>	<u>69</u>	<u>10,069</u>
<b>Fund balances, beginning of year</b>		15,019	15,019
<b>Fund balances (deficits), end of year</b>	<u>\$ (10,000)</u>	<u>\$ 15,088</u>	<u>\$ 25,088</u>

Advertisement			Intergovernmental Agreements		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4	\$ 4	\$	\$ 59,745	\$ 59,745
	<u>4</u>	<u>4</u>		<u>59,745</u>	<u>59,745</u>
			58,200	49,763	8,437
			<u>58,200</u>	<u>49,763</u>	<u>8,437</u>
	<u>4</u>	<u>4</u>	<u>(58,200)</u>	<u>9,982</u>	<u>68,182</u>
	<u>4</u>	<u>4</u>	<u>(58,200)</u>	<u>9,982</u>	<u>68,182</u>
	891	891		59,152	59,152
<u>\$</u>	<u>\$ 895</u>	<u>\$ 895</u>	<u>\$ (58,200)</u>	<u>\$ 69,134</u>	<u>\$ 127,334</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, 2015**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 582,428	\$ 582,428
State aid and grants		2,100,907	2,100,907
Federal aid, grants and reimbursements		3,192,102	3,192,102
<b>Total revenues</b>		<u>5,875,437</u>	<u>5,875,437</u>
<b>Expenditures:</b>			
Current -			
Instruction	5,926,653	3,052,423	2,874,230
Support services - students and staff	1,534,192	1,489,264	44,928
Support services - administration	1,619,435	556,654	1,062,781
Operation and maintenance of plant services	358,624	143,624	215,000
Student transportation services		107,539	(107,539)
Operation of non-instructional services		888	(888)
Capital outlay	586,032	219,523	366,509
<b>Total expenditures</b>	<u>10,024,936</u>	<u>5,569,915</u>	<u>4,455,021</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,024,936)</u>	<u>305,522</u>	<u>10,330,458</u>
<b>Other financing sources (uses):</b>			
Transfers in		446,265	446,265
Transfers out		(132,411)	(132,411)
<b>Total other financing sources (uses):</b>		<u>313,854</u>	<u>313,854</u>
<b>Changes in fund balances</b>	<u>(10,024,936)</u>	<u>619,376</u>	<u>10,644,312</u>
<b>Fund balances, beginning of year</b>		4,807,459	4,807,459
<b>Fund balances (deficits), end of year</b>	<u>\$ (10,024,936)</u>	<u>\$ 5,426,835</u>	<u>\$ 15,451,771</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, 2015**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,494	\$ 1,494
Property taxes		1,936,734	1,936,734
Federal aid, grants and reimbursements		115,986	115,986
<b>Total revenues</b>		<u>2,054,214</u>	<u>2,054,214</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,450,000	1,450,000	
Interest and fiscal charges	1,550,000	582,258	967,742
<b>Total expenditures</b>	<u>3,000,000</u>	<u>2,032,258</u>	<u>967,742</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,000,000)</u>	<u>21,956</u>	<u>3,021,956</u>
<b>Other financing sources (uses):</b>			
Transfers in		221,834	221,834
<b>Total other financing sources (uses):</b>		<u>221,834</u>	<u>221,834</u>
<b>Changes in fund balances</b>	<u>(3,000,000)</u>	<u>243,790</u>	<u>3,243,790</u>
<b>Fund balances, beginning of year</b>		254,616	254,616
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,000,000)</u>	<u>\$ 498,406</u>	<u>\$ 3,498,406</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.

**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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**

	Adjacent Ways	Gifts and Donations - Capital	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 250,269	\$ 250,269
Property taxes receivable	45,746		45,746
<b>Total assets</b>	\$ 45,746	\$ 250,269	\$ 296,015
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Due to other funds	\$ 72,862	\$	\$ 72,862
<b>Total liabilities</b>	72,862		72,862
Deferred inflows of resources:			
Unavailable revenues - property taxes	43,501		43,501
Fund balances (deficits):			
Restricted		250,269	250,269
Unassigned	(70,617)		(70,617)
<b>Total fund balances</b>	(70,617)	250,269	179,652
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 45,746	\$ 250,269	\$ 296,015

**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, 2015**

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Totals</u>
<b>Revenues:</b>			
Other local	\$ 2,334	\$ 1,138	\$ 3,472
Property taxes	<u>379,610</u>		<u>379,610</u>
<b>Total revenues</b>	<u>381,944</u>	<u>1,138</u>	<u>383,082</u>
<b>Expenditures:</b>			
Capital outlay	<u>956,882</u>		<u>956,882</u>
<b>Total expenditures</b>	<u>956,882</u>		<u>956,882</u>
<b>Changes in fund balances</b>	<u>(574,938)</u>	<u>1,138</u>	<u>(573,800)</u>
<b>Fund balances, beginning of year</b>	504,321	249,131	753,452
<b>Fund balances (deficits), end of year</b>	<u>\$ (70,617)</u>	<u>\$ 250,269</u>	<u>\$ 179,652</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3,504	\$ 3,504
Property taxes		2,093,802	2,093,802
State aid and grants		19,240	19,240
<b>Total revenues</b>		<u>2,116,546</u>	<u>2,116,546</u>
<b>Expenditures:</b>			
Capital outlay	3,203,227	2,126,203	1,077,024
Debt service -			
Principal retirement	225,000	88,125	136,875
Interest and fiscal charges	95,000	48,792	46,208
Bond issuance costs			
<b>Total expenditures</b>	<u>3,523,227</u>	<u>2,263,120</u>	<u>1,260,107</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,523,227)</u>	<u>(146,574)</u>	<u>3,376,653</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(3,523,227)</u>	<u>(146,574)</u>	<u>3,376,653</u>
<b>Fund balances, beginning of year</b>		1,308,714	1,308,714
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,523,227)</u>	<u>\$ 1,162,140</u>	<u>\$ 4,685,367</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,334 379,610	\$ 2,334 379,610	\$	\$ 4,038	\$ 4,038
	<u>381,944</u>	<u>381,944</u>		<u>4,038</u>	<u>4,038</u>
1,000,000	956,882	43,118		187,391	(187,391)
				224,741	(224,741)
<u>1,000,000</u>	<u>956,882</u>	<u>43,118</u>		<u>412,132</u>	<u>(412,132)</u>
<u>(1,000,000)</u>	<u>(574,938)</u>	<u>425,062</u>		<u>(408,094)</u>	<u>(408,094)</u>
				(221,834)	(221,834)
				11,860,000	11,860,000
				409,937	409,937
				<u>12,048,103</u>	<u>12,048,103</u>
<u>(1,000,000)</u>	<u>(574,938)</u>	<u>425,062</u>		<u>11,640,009</u>	<u>11,640,009</u>
	504,321	504,321		15,810	15,810
<u>\$ (1,000,000)</u>	<u>\$ (70,617)</u>	<u>\$ 929,383</u>	<u>\$</u>	<u>\$ 11,655,819</u>	<u>\$ 11,655,819</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Gifts and Donations - Capital		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,138	\$ 1,138
Property taxes			
State aid and grants			
<b>Total revenues</b>		1,138	1,138
<b>Expenditures:</b>			
Capital outlay	85,000		85,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	85,000		85,000
<b>Excess (deficiency) of revenues over expenditures</b>	(85,000)	1,138	86,138
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(85,000)	1,138	86,138
<b>Fund balances, beginning of year</b>		249,131	249,131
<b>Fund balances (deficits), end of year</b>	\$ (85,000)	\$ 250,269	\$ 335,269

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 11,014	\$ 11,014
	2,473,412	2,473,412
	19,240	19,240
	<u>2,503,666</u>	<u>2,503,666</u>
4,288,227	3,270,476	1,017,751
225,000	88,125	136,875
95,000	48,792	46,208
	224,741	(224,741)
<u>4,608,227</u>	<u>3,632,134</u>	<u>976,093</u>
<u>(4,608,227)</u>	<u>(1,128,468)</u>	<u>3,479,759</u>
	(221,834)	(221,834)
	11,860,000	11,860,000
	409,937	409,937
	<u>12,048,103</u>	<u>12,048,103</u>
<u>(4,608,227)</u>	<u>10,919,635</u>	<u>15,527,862</u>
	2,077,976	2,077,976
<u>\$ (4,608,227)</u>	<u>\$ 12,997,611</u>	<u>\$ 17,605,838</u>



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## **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, 2015**

	Student Activities	Totals
<b><u>ASSETS</u></b>		
Cash and investments	\$ 47,410	\$ 47,410
<b>Total assets</b>	\$ 47,410	\$ 47,410
 <b><u>LIABILITIES</u></b>		
Accounts payable	\$ 6,479	\$ 6,479
Due to student groups	40,931	40,931
<b>Total liabilities</b>	\$ 47,410	\$ 47,410

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending Balance</u></b>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<b><u>Assets</u></b>				
Cash	\$ <u>54,319</u>	\$ <u>42,451</u>	\$ <u>49,360</u>	\$ <u>47,410</u>
Total assets	\$ <u><u>54,319</u></u>	\$ <u><u>42,451</u></u>	\$ <u><u>49,360</u></u>	\$ <u><u>47,410</u></u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 13,109	\$ 6,479	\$ 13,109	\$ 6,479
Due to student groups	<u>41,210</u>	<u>35,972</u>	<u>36,251</u>	<u>40,931</u>
Total liabilities	\$ <u><u>54,319</u></u>	\$ <u><u>42,451</u></u>	\$ <u><u>49,360</u></u>	\$ <u><u>47,410</u></u>
 <b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash	\$ <u>54,319</u>	\$ <u>42,451</u>	\$ <u>49,360</u>	\$ <u>47,410</u>
Total assets	\$ <u><u>54,319</u></u>	\$ <u><u>42,451</u></u>	\$ <u><u>49,360</u></u>	\$ <u><u>47,410</u></u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 13,109	\$ 6,479	\$ 13,109	\$ 6,479
Due to student groups	<u>41,210</u>	<u>35,972</u>	<u>36,251</u>	<u>40,931</u>
Total liabilities	\$ <u><u>54,319</u></u>	\$ <u><u>42,451</u></u>	\$ <u><u>49,360</u></u>	\$ <u><u>47,410</u></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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 54,510,270	\$ 54,642,657	\$ 54,943,512	\$ 55,256,201	\$ 55,214,369
Restricted	6,484,625	6,437,446	4,780,727	6,093,331	8,176,072
Unrestricted	(30,368,781)	6,445,823	5,852,856	4,972,943	6,165,272
Total net position	\$ 30,626,114	\$ 67,525,926	\$ 65,577,095	\$ 66,322,475	\$ 69,555,713
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 51,517,384	\$ 50,763,428	\$ 52,980,118	\$ 31,355,264	\$ 29,454,412
Restricted	6,415,893	5,554,379	4,472,806	4,908,662	4,583,487
Unrestricted	8,049,268	6,508,051	9,901,890	6,942,237	5,174,387
Total net position	\$ 65,982,545	\$ 62,825,858	\$ 67,354,814	\$ 43,206,163	\$ 39,212,286

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Expenses</b>					
Instruction	\$ 25,085,857	\$ 22,603,709	\$ 20,339,637	\$ 21,048,410	\$ 19,716,894
Support services - students and staff	6,629,917	6,344,537	5,346,160	4,722,586	4,284,328
Support services - administration	4,865,915	4,211,655	4,201,845	4,009,757	3,306,402
Operation and maintenance of plant services	3,973,182	4,016,325	3,095,103	3,070,856	3,363,703
Student transportation services	1,908,702	1,798,976	1,680,250	1,537,027	1,413,880
Operation of non-instructional services	3,781,271	3,655,958	3,139,568	3,099,530	3,095,289
Interest on long-term debt	601,005	822,268	780,290	856,210	891,287
Total expenses	<u>46,845,849</u>	<u>43,453,428</u>	<u>38,582,853</u>	<u>38,344,376</u>	<u>36,071,783</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	325,380	204,209	261,054	467,777	114,412
Operation of non-instructional services	350,253	397,405	294,392	303,192	409,644
Other activities	210,385	239,786	223,583	134,918	155,462
Operating grants and contributions	6,919,745	8,357,119	5,852,233	5,661,056	5,423,342
Capital grants and contributions	229,493	322,790	226,356	175,301	3,694,346
Total program revenues	<u>8,035,256</u>	<u>9,521,309</u>	<u>6,857,618</u>	<u>6,742,244</u>	<u>9,797,206</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (38,810,593)</u>	<u>\$ (33,932,119)</u>	<u>\$ (31,725,235)</u>	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>					
Instruction	\$ 23,204,700	\$ 25,848,457	\$ 20,617,659	\$ 17,522,405	\$ 14,252,993
Support services - students and staff	4,351,556	4,910,946	5,167,102	2,649,334	2,462,815
Support services - administration	3,712,449	3,840,626	3,426,984	3,350,033	2,174,757
Operation and maintenance of plant services	3,532,952	3,423,325	2,916,818	2,698,604	2,117,164
Student transportation services	1,055,660	1,565,093	1,454,647	1,297,133	1,156,611
Operation of non-instructional services	2,936,076	2,780,839	2,370,675	1,827,002	1,494,223
Interest on long-term debt	765,864	960,599	1,237,136	110,784	808,049
Total expenses	<u>39,559,257</u>	<u>43,329,885</u>	<u>37,191,021</u>	<u>29,455,295</u>	<u>24,466,612</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	237,127	396,264	508,423	262,007	243,679
Operation of non-instructional services	381,389	473,378	388,098	348,301	314,325
Other activities	87,495	56,365	63,367	55,441	63,565
Operating grants and contributions	5,929,433	5,824,208	3,491,539	3,430,591	3,113,333
Capital grants and contributions	281,127	114,245	1,442,548	19,300	311,006
Total program revenues	<u>6,916,571</u>	<u>6,864,460</u>	<u>5,893,975</u>	<u>4,115,640</u>	<u>4,045,908</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (32,642,686)</u>	<u>\$ (36,465,425)</u>	<u>\$ (31,297,046)</u>	<u>\$ (25,339,655)</u>	<u>\$ (20,420,704)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Net (Expense)/Revenue</b>	\$ (38,810,593)	\$ (33,932,119)	\$ (31,725,235)	\$ (31,602,132)	\$ (26,274,577)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	10,391,205	9,609,885	8,365,772	6,223,517	7,475,059
Property taxes, levied for debt service	1,934,012	1,985,130	1,187,785	3,077,036	2,967,448
Property taxes, levied for capital outlay	391,958	442,848	377,890		115,017
Investment income	35,223	34,573	53,547	73,013	188,897
Unrestricted county aid	2,079,064	2,006,377	1,813,870	1,751,852	1,746,005
Unrestricted state aid	22,493,033	21,689,531	19,031,022	17,243,476	17,151,308
Unrestricted federal aid	179,069	112,606	149,969		204,011
<b>Total general revenues</b>	<u>37,503,564</u>	<u>35,880,950</u>	<u>30,979,855</u>	<u>28,368,894</u>	<u>29,847,745</u>
<b>Changes in Net Position</b>	<u>\$ (1,307,029)</u>	<u>\$ 1,948,831</u>	<u>\$ (745,380)</u>	<u>\$ (3,233,238)</u>	<u>\$ 3,573,168</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Net (Expense)/Revenue</b>	\$ (32,642,686)	\$ (36,465,425)	\$ (31,297,046)	\$ (25,339,655)	\$ (20,420,704)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	9,027,112	6,807,742	6,596,017	4,125,418	4,006,796
Property taxes, levied for debt service	1,598,734	2,461,356	2,311,249	1,570,615	1,330,255
Property taxes, levied for capital outlay	2,632,358	3,486,758	1,588,834	560,660	1,906,374
Investment income	244,826	428,438	512,447	558,063	189,771
Unrestricted county aid	1,721,324			13,655	1,124,820
Unrestricted state aid	18,144,761	18,752,175	44,437,150	22,505,121	21,969,442
Unrestricted federal aid	2,430,258				
<b>Total general revenues</b>	<u>35,799,373</u>	<u>31,936,469</u>	<u>55,445,697</u>	<u>29,333,532</u>	<u>30,527,458</u>
<b>Changes in Net Position</b>	<u>\$ 3,156,687</u>	<u>\$ (4,528,956)</u>	<u>\$ 24,148,651</u>	<u>\$ 3,993,877</u>	<u>\$ 10,106,754</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General Fund:					
Nonspendable	\$	\$ 920,922	\$ 684,953	\$ 526,787	\$ 465,501
Restricted	1,162,140	1,308,714	1,264,153	1,379,702	1,854,699
Unassigned	4,711,102	4,062,338	3,424,126	2,735,611	5,519,707
Reserved					
Unreserved					
Total General Fund	\$ 5,873,242	\$ 6,291,974	\$ 5,373,232	\$ 4,642,100	\$ 7,839,907
All Other Governmental Funds:					
Restricted	16,933,303	4,916,359	5,101,835	6,706,992	10,512,185
Unassigned	(70,617)				
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	\$ 16,862,686	\$ 4,916,359	\$ 5,101,835	\$ 6,706,992	\$ 10,512,185

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 300,438	\$ 117,319	\$ 112,157	\$ 117,000	\$ 308,347
Unreserved	542,991	(1,997,016)	4,168,597	760,583	1,973,348
Total General Fund	<u>\$ 843,429</u>	<u>\$ (1,879,697)</u>	<u>\$ 4,280,754</u>	<u>\$ 877,583</u>	<u>\$ 2,281,695</u>
All Other Governmental Funds:					
Reserved	\$ 86,360	\$ 71,598	\$ 55,985	\$ 54,620	\$ 54,261
Unreserved, reported in:					
Special revenue funds	5,233,948	4,889,622	4,886,223	4,591,446	2,467,802
Capital projects funds	7,289,834	8,759,033	9,845,938	6,559,819	3,912,764
Debt service fund	(21,095)	975,103	819,245	2,274,383	585,859
Total all other governmental funds	<u>\$ 12,589,047</u>	<u>\$ 14,695,356</u>	<u>\$ 15,607,391</u>	<u>\$ 13,480,268</u>	<u>\$ 7,020,686</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 3,308,088	\$ 4,013,021	\$ 2,676,154	\$ 2,034,522	\$ 2,202,140
State Fiscal Stabilization (ARRA)					204,011
Education Jobs				490,743	386,264
National School Lunch Program	4,075,811	4,172,939	3,376,771	3,214,406	2,905,043
Total federal sources	<u>7,383,899</u>	<u>8,185,960</u>	<u>6,052,925</u>	<u>5,739,671</u>	<u>5,697,458</u>
<b>State sources:</b>					
State equalization assistance	20,419,340	19,830,849	17,446,854	15,837,044	16,057,077
State grants	27,214	411,618	72,840	42,954	
School Facilities Board			54,924		
Other revenues	2,073,693	1,858,682	1,584,168	1,406,432	1,132,780
Total state sources	<u>22,520,247</u>	<u>22,101,149</u>	<u>19,158,786</u>	<u>17,286,430</u>	<u>17,189,857</u>
<b>Local sources:</b>					
Property taxes	12,709,520	12,078,963	9,884,176	9,436,658	10,723,581
County aid	2,079,064	2,006,377	1,813,870	1,757,857	1,786,926
Food service sales	350,253	397,405	294,392	303,192	320,478
Investment income	35,223	34,573	53,547	73,013	123,836
Other revenues	581,634	484,191	532,506	696,984	435,426
Total local sources	<u>15,755,694</u>	<u>15,001,509</u>	<u>12,578,491</u>	<u>12,267,704</u>	<u>13,390,247</u>
<b>Total revenues</b>	<u><u>\$ 45,659,840</u></u>	<u><u>\$ 45,288,618</u></u>	<u><u>\$ 37,790,202</u></u>	<u><u>\$ 35,293,805</u></u>	<u><u>\$ 36,277,562</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Federal sources:</b>					
Federal grants	\$ 5,661,652	\$ 3,175,703	\$ 2,848,688	\$ 1,498,316	\$ 1,619,891
National School Lunch Program	2,759,932	2,245,104	1,774,565	1,802,511	1,432,647
Total federal sources	<u>8,421,584</u>	<u>5,420,807</u>	<u>4,623,253</u>	<u>3,300,827</u>	<u>3,052,538</u>
<b>State sources:</b>					
State equalization assistance	19,047,479	14,729,736	23,719,901	16,512,131	13,253,437
State grants	73,415	676,634	170,082	162,994	159,063
School Facilities Board		1,115,393	17,699,429	4,214,068	7,366,586
Other revenues	1,604,590	1,561,125	2,051,036	1,778,922	1,349,419
Total state sources	<u>20,725,484</u>	<u>18,082,888</u>	<u>43,640,448</u>	<u>22,668,115</u>	<u>22,128,505</u>
<b>Local sources:</b>					
Property taxes	12,883,612	12,456,705	10,333,655	6,261,219	7,148,063
County aid	1,721,324			13,655	1,124,820
Food service sales	324,629	407,189	359,313	320,798	300,003
Investment income	241,924	415,596	537,148	547,347	184,408
Other revenues	385,581	601,168	589,086	344,951	321,566
Total local sources	<u>15,557,070</u>	<u>13,880,658</u>	<u>11,819,202</u>	<u>7,487,970</u>	<u>9,078,860</u>
<b>Total revenues</b>	<u>\$ 44,704,138</u>	<u>\$ 37,384,353</u>	<u>\$ 60,082,903</u>	<u>\$ 33,456,912</u>	<u>\$ 34,259,903</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 20,172,488	\$ 19,476,377	\$ 17,877,491	\$ 18,795,718	\$ 17,388,184
Support services - students and staff	6,155,479	5,960,392	5,099,526	4,506,786	3,963,924
Support services - administration	4,312,939	3,796,371	3,894,780	3,754,249	3,082,871
Operation and maintenance of plant services	3,663,224	3,749,721	2,785,540	2,811,318	2,776,284
Student transportation services	1,456,182	1,390,443	1,376,310	1,248,118	1,106,115
Operation of non-instructional services	3,692,960	3,572,384	3,081,107	3,036,608	2,966,207
Capital outlay	3,634,072	4,424,509	1,971,751	5,529,938	4,784,496
Debt service -					
Interest and fiscal charges	631,050	699,503	780,290	856,210	771,960
Principal retirement	1,538,125	1,721,621	1,955,598	1,819,146	2,160,601
Bond issuance costs	224,741				253,511
<b>Total expenditures</b>	<u>\$ 45,481,260</u>	<u>\$ 44,791,321</u>	<u>\$ 38,822,393</u>	<u>\$ 42,358,091</u>	<u>\$ 39,254,153</u>
 Expenditures for capitalized assets	 \$ 1,074,517	 \$ 1,888,133	 \$ 586,460	 \$ 3,795,463	 \$ 3,203,436
 Debt service as a percentage of noncapital expenditures	 5%	 6%	 7%	 7%	 8%

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 20,828,087	\$ 19,269,450	\$ 17,349,326	\$ 13,464,700	\$ 11,262,540
Support services - students and staff	4,176,708	4,638,812	4,853,517	2,549,510	2,340,776
Support services - administration	3,449,785	3,376,043	2,937,889	3,220,302	2,135,708
Operation and maintenance of plant services	3,313,758	3,183,875	2,664,132	2,334,156	2,086,229
Student transportation services	1,050,557	993,723	1,295,199	1,136,725	1,025,472
Operation of non-instructional services	2,833,818	2,690,382	2,078,561	1,728,078	1,425,990
Capital outlay	6,842,115	7,485,608	27,113,244	11,509,372	8,631,319
Debt service -					
Judgments against the district		13,602			
Interest and fiscal charges	765,864	960,599	1,369,761	113,291	1,428,642
Principal retirement (Empty)	1,962,548	1,994,471	2,839,831	266,321	305,388
<b>Total expenditures</b>	<u>\$ 45,223,240</u>	<u>\$ 44,606,565</u>	<u>\$ 62,650,082</u>	<u>\$ 36,424,655</u>	<u>\$ 30,642,064</u>
Expenditures for capitalized assets	\$ 5,996,816	\$ 3,864,201	\$ 23,683,707	\$ 7,966,833	\$ 5,968,155
Debt service as a percentage of noncapital expenditures	7%	7%	11%	1%	7%

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 178,580	\$ 497,297	\$ (1,032,191)	\$ (7,064,286)	\$ (2,976,591)
<b>Other financing sources (uses):</b>					
General obligation bonds issued	11,860,000				7,600,000
Premium on sale of bonds	409,937				134,184
Capital lease agreements					
Transfers in	668,099	385,312	623,660	295,814	399,844
Transfers out	(668,099)	(385,312)	(623,660)	(295,814)	(399,844)
Total other financing sources (uses)	<u>12,269,937</u>	<u></u>	<u></u>	<u></u>	<u>7,734,184</u>
<b>Changes in fund balances</b>	<u>\$ 12,448,517</u>	<u>\$ 497,297</u>	<u>\$ (1,032,191)</u>	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</u>
	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (519,102)	\$ (7,222,212)	\$ (2,567,179)	\$ (2,967,743)	\$ 3,617,839
<b>Other financing sources (uses):</b>					
General obligation bonds issued			7,830,000	8,000,000	
Premium on sale of bonds			130,518	104,707	
Capital lease agreements	938,038	128,951	140,433	109,494	514,119
Transfers in	464,537	598,950	40,839	747,069	137,207
Transfers out	(464,537)	(598,950)	(40,839)	(747,069)	(137,207)
Total other financing sources (uses)	<u>938,038</u>	<u>128,951</u>	<u>8,100,951</u>	<u>8,214,201</u>	<u>514,119</u>
<b>Changes in fund balances</b>	<u>\$ 418,936</u>	<u>\$ (7,093,261)</u>	<u>\$ 5,533,772</u>	<u>\$ 5,246,458</u>	<u>\$ 4,131,958</u>

**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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 90,115,979	\$ 91,009,297	\$ 107,253,601	\$ 117,516,790	\$ 67,029,557
Agricultural and Vacant	13,568,834	15,870,849	17,831,961	22,653,450	33,444,404
Residential (Owner Occupied)	62,150,024	58,080,439	70,918,078	79,484,285	104,331,449
Residential (Rental)	40,972,735	36,060,869	31,103,815	31,952,378	37,951,808
Railroad, Private Cars and Airlines	751,882	674,906	629,897	519,588	498,021
Historical Property	26,820	28,598	32,414	37,136	
Certain Government Property Improvements	54,212				
<b>Total</b>	<b>\$ 207,640,486</b>	<b>\$ 201,724,958</b>	<b>\$ 227,769,766</b>	<b>\$ 252,163,627</b>	<b>\$ 243,255,239</b>
Estimated Actual Value (Full Cash Value)	\$ 2,026,208,346	\$ 1,818,863,601	\$ 1,968,364,551	\$ 2,153,625,406	\$ 2,686,378,396
Ratio of Primary Assessed Value to Estimated Actual Value	10%	11%	12%	12%	9%
Total Direct Rate	5.90	5.98	4.38	3.80	3.47

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 117,441,892	\$ 104,583,295	\$ 83,984,179	\$ 70,004,298	\$ 66,330,982
Agricultural and Vacant	38,766,995	36,309,781	32,343,496	24,672,806	19,424,780
Residential (Owner Occupied)	145,273,311	135,754,466	102,354,277	80,647,714	64,455,207
Residential (Rental)	40,343,452	32,612,487	23,468,194	14,442,109	7,467,767
Railroad, Private Cars and Airlines	512,993	589,408	630,106	636,270	595,360
<b>Total</b>	<b>\$ 342,338,643</b>	<b>\$ 309,849,437</b>	<b>\$ 242,780,252</b>	<b>\$ 190,403,197</b>	<b>\$ 158,274,096</b>
Estimated Actual Value (Full Cash Value)	\$ 3,249,300,415	\$ 3,423,609,778	\$ 2,586,217,967	\$ 1,658,309,097	\$ 1,334,477,243
Ratio of Primary Value to Estimated Actual Value	11%	9%	9%	11%	12%
Total Direct Rate	3.77	3.77	3.94	3.10	4.59

**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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 92,418,862	\$ 91,848,309	\$ 108,164,053	\$ 119,117,533	\$ 141,276,550
Agricultural and Vacant	14,516,444	16,597,784	18,146,283	23,464,063	39,828,347
Residential (Owner Occupied)	69,217,449	58,127,943	70,948,949	79,542,254	104,686,686
Residential (Rental)	45,525,827	36,827,465	31,109,955	31,962,749	38,183,041
Railroad, Private Cars and Airlines	758,920	681,266	641,785	579,194	593,515
Historical Property	101,916	111,531	129,655	148,545	
Certain Government Property Improvements	59,574				
<b>Total</b>	<b>\$ 222,598,992</b>	<b>\$ 204,194,298</b>	<b>\$ 229,140,680</b>	<b>\$ 254,814,338</b>	<b>\$ 324,568,139</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	11%	11%	12%	12%	12%
Total Direct Rate	5.90	5.98	4.38	3.80	3.47

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 91,867,336	\$ 74,377,964	\$ 68,170,222	\$ 60,111,223	\$ 46,337,454
Agricultural and Vacant	56,114,696	57,062,216	47,728,055	34,715,616	24,078,197
Residential (Owner Occupied)	150,329,796	184,544,411	139,223,287	82,367,208	68,183,283
Residential (Rental)	42,064,668	43,927,311	31,272,329	15,048,701	8,224,483
Railroad, Private Cars and Airlines	604,151	663,801	694,819	672,111	650,233
<b>Total</b>	<b>\$ 389,531,143</b>	<b>\$ 408,800,218</b>	<b>\$ 310,785,826</b>	<b>\$ 207,181,600</b>	<b>\$ 169,306,418</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	12%	13%
Total Direct Rate	3.77	3.77	3.94	3.10	4.59

**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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	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	18	20	21	22	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	<u>Overlapping Rates</u>								<u>District Direct Rates</u>		
	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	Primary	Secondary	Total
	2015	0.51	1.32	1.52	0.14	0.14	1.75	3.75	4.53	2.59	3.31
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

**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**

<u>Taxpayer</u>	<u>2015</u>		<u>2006</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
SVC Manufacturing, Inc	\$ 19,104,560	8.58 %	\$ 12,055,162	5.82 %
Smith's Food & Drug Centers, Inc	9,581,397	4.30	16,519,077	7.97
Arizona Public Service Company	7,537,569	3.39	2,713,738	1.31
Phoenix Speedway Corp	4,326,083	1.94	5,397,881	2.61
J & J Coldwater LLC	3,970,308	1.78		
Mechanic (AZ) QRD 15-41, Inc	3,113,967	1.40	3,231,451	1.56
Crystal Springs Apartments LLC	2,497,440	1.12		
AZEJM Land Holdings/Oxnard Commerceplex LLC	2,434,102	1.31		
Ashton Pointe Apartments, L.P.	2,400,000	1.08		
D.H. Ventures, LLC	2,280,000	1.02		
Continental Pet Technologies			4,735,172	2.29
No Bull LLC			2,706,847	1.31
CP Reprop Phoenix III Corporation			2,032,061	0.98
Sara Lee Corporation			1,895,064	0.91
Ski Phoenix Development Co. LLC			1,820,335	0.88
Total	<u>\$ 57,245,426</u>	<u>25.92 %</u>	<u>\$ 53,106,787</u>	<u>25.64 %</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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2015	\$ 12,761,428	\$ 12,344,821	96.74 %	\$	\$ 12,344,821	96.74 %
2014	12,144,131	11,777,361	96.98	362,544	12,139,905	99.97
2013	9,944,964	9,564,004	96.17	376,245	9,940,249	99.95
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	280,037	6,286,274	99.99
2006	7,403,486	7,154,323	96.63	249,163	7,403,486	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
2015	\$ 24,207,657	\$ 498,406	\$ 23,709,251	1.19 %	\$ 600	\$ 557,823	\$ 24,765,480	1.22 %	\$ 614	N/A %
2014	13,607,765	254,616	13,353,149	0.75	314	645,948	14,253,713	0.78	329	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	501,830	18,583,170	0.71	561	937,313	20,022,313	0.75	589	0.01
2010	13,390,000	1,905,000	11,485,000	3.91	446	1,062,914	14,452,914	4.22	482	0.01
2009	14,500,000	1,110,000	13,390,000	4.68	483	182,424	14,682,424	4.74	489	0.01
2008	15,070,000	570,000	14,500,000	6.21	502	479,187	15,549,187	6.40	518	0.01
2007	9,270,000	10,000	9,260,000	4.87	309	588,585	9,858,585	5.18	329	0.01
2006	1,280,000	10,000	1,270,000	0.81	43	745,412	2,025,412	1.28	68	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, 2015**

<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	\$ 654,190,000	0.63 %	\$ 4,121,397
City of Avondale	26,515,000	34.77	9,219,266
City of Goodyear	105,025,000	0.01	10,503
City of Phoenix	1,495,776,176	0.30	4,487,329
City of Tolleson	33,160,790	28.04	9,298,286
Western Maricopa Education Center	59,045,000	1.71	1,009,670
Tolleson Union High School District No. 214	43,300,000	23.53	10,188,490
Subtotal, Overlapping Debt			<u>38,334,941</u>
Direct:			
Littleton Elementary School District No. 65			<u>24,765,480</u>
Total Direct and Overlapping Debt			<u>\$ 63,100,421</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		10.65 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,537	
As a Percentage of Net Secondary Assessed Valuation		27.87 %
As a Percentage of Estimated Actual Value (Full Cash Value)		1.63 %

**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, 2014 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 2015:**

Secondary assessed valuation	\$ 222,598,992
Debt limit (10% of assessed value)	22,259,899
Debt applicable to limit	23,705,000
Redemption Funds on Hand for Principal	1,450,000
Legal debt margin	<u>\$ 4,899</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2015:**

Secondary assessed valuation	\$ 222,598,992
Debt limit (15% of assessed value)	33,389,849
Debt applicable to limit	23,705,000
Legal debt margin	<u>\$ 9,684,849</u>

**Fiscal Year Ended June 30**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 33,389,849	\$ 30,629,145	\$ 34,371,102	\$ 38,222,151	\$ 48,685,221
Total net debt applicable to limit	<u>23,705,000</u>	<u>13,607,765</u>	<u>15,365,000</u>	<u>17,050,000</u>	<u>19,085,000</u>
Legal debt margin	<u>\$ 9,684,849</u>	<u>\$ 17,021,380</u>	<u>\$ 19,006,102</u>	<u>\$ 21,172,151</u>	<u>\$ 29,600,221</u>
Total net debt applicable to the limit as a percentage of debt limit	71%	44%	45%	45%	39%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 58,429,671	\$ 61,320,033	\$ 46,617,874	\$ 31,077,240	\$ 25,395,963
Total net debt applicable to limit	<u>13,390,000</u>	<u>14,500,000</u>	<u>15,070,000</u>	<u>9,270,000</u>	<u>1,280,000</u>
Legal debt margin	<u>\$ 45,039,671</u>	<u>\$ 46,820,033</u>	<u>\$ 31,547,874</u>	<u>\$ 21,807,240</u>	<u>\$ 24,115,963</u>
Total net debt applicable to the limit as a percentage of debt limit	23%	24%	32%	30%	5%

**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>
2014	4,008,651	\$ N/A	\$ 27,256	6.9 %	40,358
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

**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 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

**Note:** N/A indicates that the information is not available.

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,800	2.74 %	49,958	2.96 %
Wal-Mart Stores Inc.	30,634	1.68	28,246	1.68
Banner Health Systems	24,825	1.36	19,250	1.14
City of Phoenix	15,100	0.83	13,844	0.82
Wells Fargo Company	13,308	0.73	11,533	0.68
Bank of America	13,300	0.73	7,268	0.43
Maricopa County	12,792	0.70	13,002	0.77
Raytheon Co.	11,500	0.63		
Arizona State University	11,185	0.61	11,202	0.66
Apollo Group Inc.	11,000	0.60	6,921	0.41
U.S. Postal Service			11,000	0.65
Total	<u>193,444</u>	<u>10.61</u> %	<u>172,224</u>	<u>10.20</u> %
 Total employment	 <u>1,819,800</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**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Supervisory</b>					
Superintendent	7	7	7	7	7
Assistant principals	10	11	11	10	10
Total supervisory	<u>17</u>	<u>18</u>	<u>18</u>	<u>17</u>	<u>17</u>
<b>Instruction</b>					
Teachers	297	289	266	280	282
Other professionals (instructional)	23	24	21	12	12
Aides	92	77	81	86	65
Total instruction	<u>412</u>	<u>390</u>	<u>368</u>	<u>378</u>	<u>359</u>
<b>Support and Administration</b>					
Managers	10	8	10	7	7
Other classified	114	110	102	113	92
Total support and administration	<u>124</u>	<u>118</u>	<u>112</u>	<u>120</u>	<u>99</u>
<b>Total</b>	<u><u>553</u></u>	<u><u>526</u></u>	<u><u>498</u></u>	<u><u>515</u></u>	<u><u>475</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Supervisory</b>					
Superintendent	7	7			
Assistant principals	10	10	16	18	11
Total supervisory	<u>17</u>	<u>17</u>	<u>16</u>	<u>18</u>	<u>11</u>
<b>Instruction</b>					
Teachers	300	311	292	230	183
Other professionals (instructional)	12	14	17	11	4
Aides	66	55	71	68	35
Total instruction	<u>378</u>	<u>380</u>	<u>380</u>	<u>309</u>	<u>222</u>
<b>Support and Administration</b>					
Managers	6	5	9	5	8
Other classified	95	96	99	95	97
Total support and administration	<u>101</u>	<u>101</u>	<u>108</u>	<u>100</u>	<u>105</u>
<b>Total</b>	<u><u>496</u></u>	<u><u>498</u></u>	<u><u>504</u></u>	<u><u>427</u></u>	<u><u>338</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2015	5,211	\$ 39,453,272	\$ 7,571	3.19 %	\$ 46,845,849	\$ 8,990	7.00 %	297	17.5	82.1 %
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

**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**

	<u>Fiscal Year Ended June 30</u>									
	<u>2015</u>	<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>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	25	25	25	25	25	25	22	18	17	17
Square feet	586,505	586,505	586,505	586,505	576,739	576,739	521,963	431,455	341,642	341,642
Capacity	7,261	7,261	7,261	7,261	7,261	7,261	6,386	5,263	4,140	4,140
Enrollment	5,607	5,623	5,079	4,860	4,817	4,742	4,909	4,237	3,638	3,330
<b><u>Middle</u></b>										
Buildings								6	6	6
Square feet								42,477	42,477	42,477
Capacity								480	480	480
Enrollment								413	482	441
<b><u>Administrative</u></b>										
Buildings	3	3	3	3	3	3	2	2	2	2
Square feet	44,678	44,678	44,678	44,678	44,678	44,678	9,248	9,248	9,248	9,248
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	25	25	25	25	25	23	23	24	28	27

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

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