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# **LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**

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## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2017



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**

**AVONDALE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:  
Business and Finance Department

# **LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**

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## **INTRODUCTORY SECTION**



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December 18, 2017

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, 2017.

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, 2017, 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, 2017, 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.

Littleton Elementary School District #65 • PO Box 280 • Cashion, Arizona 85329 • (623) 478-5600 Reception • (623) 478-5625 Facsimile  
Underdown Learning Center and Administrative Offices • 1600 South 107th Avenue, Avondale, Arizona 85323

[www.littletonaz.org](http://www.littletonaz.org)

Collier Elementary (623) 478-5900  
[www.coes.littletonaz.org](http://www.coes.littletonaz.org)

Estrella Vista STEM Academy (623) 478-6200  
[www.eves.littletonaz.org](http://www.eves.littletonaz.org)

Littleton Elementary (623) 478-5700  
[www.lnes.littletonaz.org](http://www.lnes.littletonaz.org)

Tres Rios Service Academy (623) 478-6300  
[www.tres.littletonaz.org](http://www.tres.littletonaz.org)

Country Place Leadership Academy (623) 478-6100  
[www.cpes.littletonaz.org](http://www.cpes.littletonaz.org)

Fine Arts Academy (623) 478-6400  
[www.faes.littletonaz.org](http://www.faes.littletonaz.org)

Quentin STEM Academy (623) 478-6000  
[www.ques.littletonaz.org](http://www.ques.littletonaz.org)

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 5,546.

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 2016 Estimate was 82,881.

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 with a few stagnant years due to the recession. Home building is again on the rise with new communities as well as resurgence of communities that had fallen dormant during the downturn of the economy. This growth affected student population and since 2002 enrollment increased from 1,367 to the current enrollment of 5,546 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 the City is now experiencing a gradual increase that is expected to grow 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 Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Honor Health. 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 2016 population was estimated at 4,137,076 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 26 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 completed the first phase in July 2016 with classes starting July 2016. The final phase of construction will be completed in fiscal year 2018 with the addition of over 30,000 square feet of classroom space.

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 5,546. Estimates indicate that a 1-3 percent growth rate will continue for the next 3 – 5 years.

## **AWARDS AND ACKNOWLEDGMENTS**

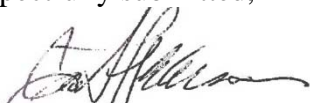
**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the seventh consecutive year that the District has received 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, 2016. 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 2016-17 certificates.

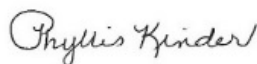
**Acknowledgements.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Littleton Elementary School District No. 65**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



**Anthony N. Dragona, Ed.D., RSBA**  
President

**John D. Musso, CAE**  
Executive Director



Government Finance Officers Association

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

Presented to

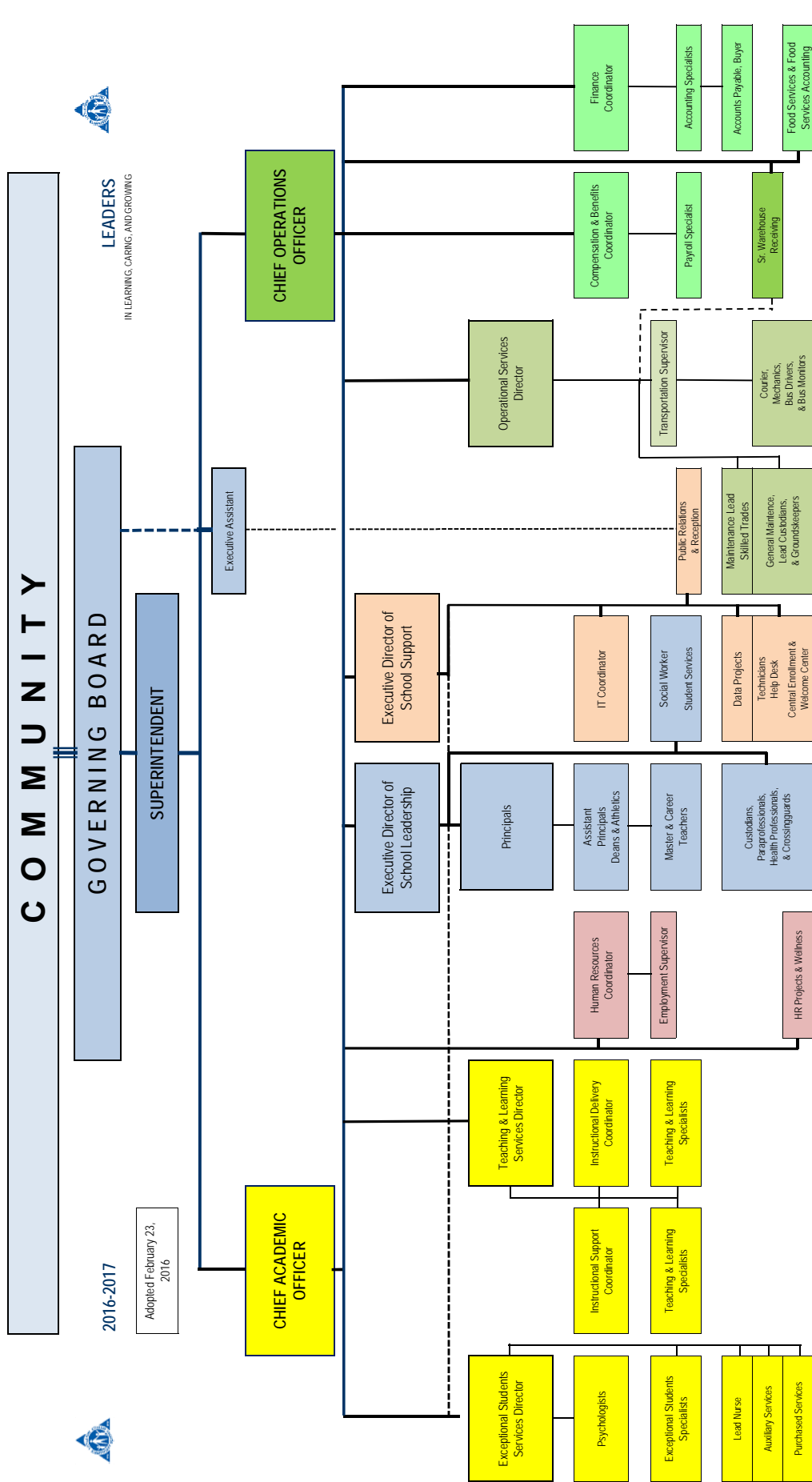
**Littleton Elementary School  
District No. 65, Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO





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**

Amy Soucinek, President

Curtis Nielson, Member

John Raeder III, Member

Dr. Pearlette Ramos, Member

Kathy Reyes, Member

**ADMINISTRATIVE STAFF**

Roger S. Freeman, Ed.D., Superintendent

Phyllis Kinder, Chief Operations Officer

Dr. Lisa Kelley, Chief Academic Officer

Sue Garrison, Executive Director of School Support

Dr. Allison Garland, Executive Director 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, 2017 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, 2017, 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.

### ***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 18, 2017 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.  
Phoenix, Arizona  
December 18, 2017

**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, 2017**

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, 2017. 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 increased \$224,621, which represents a less than one percent increase from the prior fiscal year.
- General revenues accounted for \$38.3 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.7 million, or 19 percent of total current fiscal year revenues.
- The District had approximately \$46.7 million in expenses related to governmental activities, an increase of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$33.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$35.4 million in expenditures. The General Fund's fund balance decreased from \$7.0 million at the prior fiscal year end to \$5.3 million at the end of the current fiscal year which was primarily due to an increase in salaries and benefits expenditures as well as an increase in capital outlay expenditures related to construction and renovation of buildings and purchase of textbooks and other instructional aids.

### **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, 2017**

**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, 2017**

**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 and pension plan. 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. Schedules for the pension plan have been provided 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 \$29.9 million at the current fiscal year end.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**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, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 17,938,703	\$ 18,382,246
Capital assets, net	76,527,226	76,186,175
Total assets	<u>94,465,929</u>	<u>94,568,421</u>
Deferred outflows	<u>7,385,486</u>	<u>5,042,735</u>
Current and other liabilities	2,648,887	3,736,866
Long-term liabilities	63,318,984	62,954,499
Total liabilities	<u>65,967,871</u>	<u>66,691,365</u>
Deferred inflows	<u>6,019,961</u>	<u>3,280,829</u>
Net position:		
Net investment in capital assets	55,002,861	53,316,103
Restricted	5,821,136	7,095,095
Unrestricted	<u>(30,960,414)</u>	<u>(30,772,236)</u>
Total net position	<u>\$ 29,863,583</u>	<u>\$ 29,638,962</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 \$31.0 million. The deficit arose because of the implementation of GASB Statement No. 68 in a prior fiscal year, which required the District to record a liability for its proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**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 \$1.5 million of bonds.
- Accumulated depreciation increased \$2.6 million.
- The issuance of \$2.4 million in school improvement bonds.

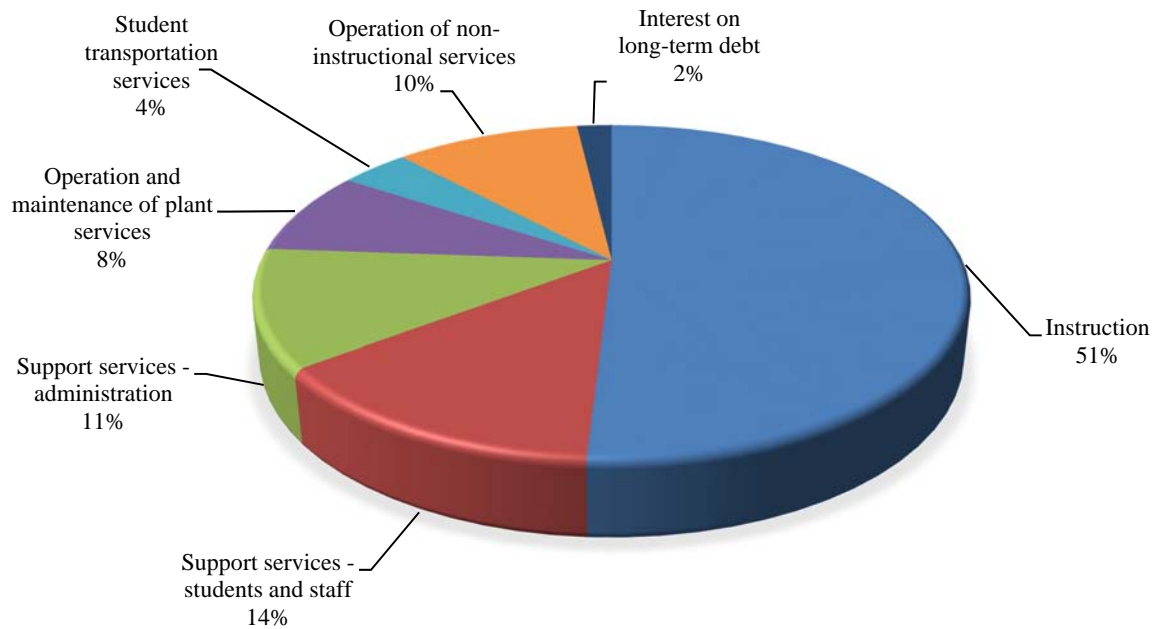
**Changes in net position.** The District's total revenues for the current fiscal year were \$47.0 million. The total cost of all programs and services was \$46.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 904,780	\$ 937,612
Operating grants and contributions	7,054,231	7,108,886
Capital grants and contributions	735,730	165,115
General revenues:		
Property taxes	12,833,943	12,341,162
Investment income	55,858	82,812
Unrestricted county aid	2,224,802	2,094,375
Unrestricted state aid	22,838,761	22,281,981
Unrestricted federal aid	311,090	268,552
<b>Total revenues</b>	<u>46,959,195</u>	<u>45,280,495</u>
<b>Expenses:</b>		
Instruction	23,799,099	24,800,192
Support services – students and staff	6,436,126	6,576,747
Support services – administration	5,347,981	4,867,489
Operation and maintenance of plant services	3,797,582	3,555,273
Student transportation services	1,767,152	1,854,233
Operation of non-instructional services	4,708,568	3,649,787
Interest on long-term debt	878,066	963,926
<b>Total expenses</b>	<u>46,734,574</u>	<u>46,267,647</u>
<b>Changes in net position</b>	<u>224,621</u>	<u>(987,152)</u>
<b>Net position, beginning</b>	<u>29,638,962</u>	<u>30,626,114</u>
<b>Net position, ending</b>	<u><u>\$ 29,863,583</u></u>	<u><u>\$ 29,638,962</u></u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Expenses - Fiscal Year 2017**



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

- An increase of \$570,615 in capital grants and contributions primarily due to the receipt of the building renewal grant from the Arizona School Facilities Board.
- A decrease of \$1.0 million in instructional expenses primarily due to a decrease in pension expense as a result of changes in actuarial assumptions and a decrease in the District's proportional share of the pension liability as well as a decrease in instructional technology expenses.
- An increase of \$1.1 million in operation of non-instructional services primarily due to an increase in food costs and food service management contract expense.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**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, 2017		Year Ended June 30, 2016	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 23,799,099	\$ (21,761,791)	\$ 24,800,192	\$ (22,597,478)
Support services – students and staff	6,436,126	(5,478,814)	6,576,747	(5,520,435)
Support services – administration	5,347,981	(5,179,115)	4,867,489	(4,633,113)
Operation and maintenance of plant services	3,797,582	(3,209,028)	3,555,273	(3,347,286)
Student transportation services	1,767,152	(1,695,169)	1,854,233	(1,854,233)
Operation of non-instructional services	4,708,568	(70,699)	3,649,787	510,977
Interest on long-term debt	878,066	(645,217)	963,926	(614,466)
<b>Total</b>	<b>\$ 46,734,574</b>	<b>\$ (38,039,833)</b>	<b>\$ 46,267,647</b>	<b>\$ (38,056,034)</b>

- The cost of all governmental activities this year was \$46.7 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.7 million.
- Net cost of governmental activities of \$38.0 million was financed by general revenues, which are made up of primarily property taxes of \$12.8 million and state aid of \$22.8 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, 2017**

**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 \$13.1 million, an increase of \$895,752 primarily due to the issuance of \$2.4 million in school improvement bonds.

The General Fund comprises 41 percent of the total fund balance. Approximately \$5.1 million, or 95 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 \$1.7 million in the General Fund to \$5.3 million as of fiscal year end was primarily a result of an increase in salaries and benefits expenditures as well as an increase in capital outlay expenditures related to construction and renovation of buildings and purchase of textbooks and other instructional aids.

Fund balance of the Food Service Fund decreased \$205,750 due to an increase in food costs and food service management contract expenditures.

Fund balance of the Debt Service Fund increased \$480,984 due to an increase in the property tax rate.

Fund balance of the Bond Building Fund increased \$2.1 million due to the issuance of \$2.4 million in 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 student membership. The difference between the original budget and the final amended budget was a \$138,358 increase, or less than 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 \$1.1 million in instruction expenditures was a result of lower than expected salaries and benefit expenditures.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$101.7 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 \$3.0 million from the prior fiscal year, primarily due to the construction and renovation of school buildings. Total depreciation expense for the current fiscal year was \$2.6 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Capital assets – non-depreciable	\$ 6,766,568	\$ 16,685,793
Capital assets – depreciable, net	69,760,658	59,500,382
<b>Total</b>	<u>\$ 76,527,226</u>	<u>\$ 76,186,175</u>

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

**Debt Administration.** At year-end, the District had \$23.9 million in long-term debt outstanding, \$1.7 million due within one year. Long-term debt increased by \$709,453 primarily due to the issuance of \$2.4 million in school improvement bonds.

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 net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$44.2 million and the Class B debt limit is \$29.5 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 through 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 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$900,000).
- District student population (estimated 5,420).

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, 2017**

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

Budgeted expenditures in the General Fund increased two percent to \$32.7 million in fiscal year 2017-18 primarily due to a projected increase in student membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 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, 2017**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 10,285,118
Property taxes receivable	556,138
Accounts receivable	6,678
Due from governmental entities	6,968,048
Inventory	57,700
Deposits	65,021
Total current assets	<u>17,938,703</u>
Noncurrent assets:	
Capital assets not being depreciated	6,766,568
Capital assets, net of accumulated depreciation	69,760,658
Total noncurrent assets	<u>76,527,226</u>
<b>Total assets</b>	<u><b>94,465,929</b></u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>7,385,486</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	1,283,442
Construction contracts payable	6,838
Credit line payable	497,000
Accrued payroll and employee benefits	215,693
Compensated absences payable	69,000
Accrued interest payable	447,698
Unearned revenues	198,216
Obligations under capital leases	110,912
Bonds payable	1,590,000
Total current liabilities	<u>4,418,799</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	61,549,072
Total noncurrent liabilities	<u>61,549,072</u>
<b>Total liabilities</b>	<u><b>65,967,871</b></u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>6,019,961</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	55,002,861
Restricted for:	
Voter approved initiatives	1,950,011
Federal and state projects	44,414
Food service	1,182,378
Civic center	308,799
Community school	129,203
Extracurricular activities tax credit	99,425
Intergovernmental agreements	110,438
Other local initiatives	34,705
Debt service	654,955
Capital outlay	1,306,808
Unrestricted	(30,960,414)
<b>Total net position</b>	<u><b>\$ 29,863,583</b></u>

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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 23,799,099	\$ 266,007	\$ 1,446,548	\$ 324,753	\$ (21,761,791)
Support services - students and staff	6,436,126	1,507	955,805		(5,478,814)
Support services - administration	5,347,981	34,820	134,046		(5,179,115)
Operation and maintenance of plant services	3,797,582	145,805	31,772	410,977	(3,209,028)
Student transportation services	1,767,152		71,983		(1,695,169)
Operation of non-instructional services	4,708,568	456,641	4,181,228		(70,699)
Interest on long-term debt	878,066		232,849		(645,217)
<b>Total governmental activities</b>	<u>\$ 46,734,574</u>	<u>\$ 904,780</u>	<u>\$ 7,054,231</u>	<u>\$ 735,730</u>	<u>(38,039,833)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	7,732,091
Property taxes, levied for debt service	2,485,058
Property taxes, levied for capital outlay	2,616,794
Investment income	55,858
Unrestricted county aid	2,224,802
Unrestricted state aid	22,838,761
Unrestricted federal aid	311,090

**Total general revenues** 38,264,454

**Changes in net position** 224,621

**Net position, beginning of year** 29,638,962

**Net position, end of year** \$ 29,863,583

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, 2017**

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 256,812	\$ 1,197,063	\$ 2,548,199
Property taxes receivable	528,296		27,842
Accounts receivable			
Due from governmental entities	6,513,584	22,693	116,612
Due from other funds	216,967		
Inventory	57,700		
Deposits		65,021	
<b>Total assets</b>	<u><u>\$ 7,573,359</u></u>	<u><u>\$ 1,284,777</u></u>	<u><u>\$ 2,692,653</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,023,942	\$ 102,399	\$
Construction contracts payable			
Credit line payable	497,000		
Due to other funds			
Accrued payroll and employee benefits	208,130		
Unearned revenues			
Bonds payable			1,590,000
Bond interest payable			447,698
<b>Total liabilities</b>	<u>1,729,072</u>	<u>102,399</u>	<u>2,037,698</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	495,489		19,630
Unavailable revenues - intergovernmental			116,612
<b>Total deferred inflows of resources</b>	<u>495,489</u>	<u></u>	<u>136,242</u>
Fund balances (deficits):			
Nonspendable	57,700		
Restricted	210,670	1,182,378	518,713
Unassigned	5,080,428		
<b>Total fund balances</b>	<u>5,348,798</u>	<u>1,182,378</u>	<u>518,713</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 7,573,359</u></u>	<u><u>\$ 1,284,777</u></u>	<u><u>\$ 2,692,653</u></u>

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>
\$ 2,359,441	\$ 3,923,603	\$ 10,285,118
		556,138
	6,678	6,678
	315,159	6,968,048
		216,967
		57,700
		65,021
<u>\$ 2,359,441</u>	<u>\$ 4,245,440</u>	<u>\$ 18,155,670</u>
\$ 6,838	\$ 157,101	\$ 1,283,442
		6,838
		497,000
	216,967	216,967
	7,563	215,693
	198,216	198,216
		1,590,000
		447,698
<u>6,838</u>	<u>579,847</u>	<u>4,455,854</u>
		515,119
		116,612
		<u>631,731</u>
2,352,603	3,665,619	57,700
	(26)	7,929,983
<u>2,352,603</u>	<u>3,665,593</u>	<u>5,080,402</u>
		<u>13,068,085</u>
<u>\$ 2,359,441</u>	<u>\$ 4,245,440</u>	<u>\$ 18,155,670</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, 2017**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>13,068,085</b>
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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	\$ 101,657,849	
Less accumulated depreciation	<u>(25,130,623)</u>	76,527,226

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

Property taxes	515,119	
Intergovernmental	<u>116,612</u>	631,731

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.	(397,018)
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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	7,385,486	
Deferred inflows of resources related to pensions	<u>(6,019,961)</u>	1,365,525

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

Compensated absences payable	(1,116,815)	
Obligations under capital leases	(359,950)	
Net pension liability	(38,325,201)	
Bonds payable	<u>(21,530,000)</u>	<u>(61,331,966)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>29,863,583</u></b>
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**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, 2017**

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
<b>Revenues:</b>			
Other local	\$ 2,454,642	\$ 463,892	\$ 7,108
Property taxes	9,782,406		2,489,939
State aid and grants	20,645,967		
Federal aid, grants and reimbursements	311,090	4,176,317	465,697
<b>Total revenues</b>	<u>33,194,105</u>	<u>4,640,209</u>	<u>2,962,744</u>
<b>Expenditures:</b>			
Current -			
Instruction	17,268,185		
Support services - students and staff	4,869,741		
Support services - administration	4,690,064	12,151	
Operation and maintenance of plant services	3,448,348		
Student transportation services	1,357,704		
Operation of non-instructional services	200,767	4,397,086	
Capital outlay	3,428,903	154,622	
Debt service -			
Principal retirement	102,727		1,590,000
Interest and fiscal charges	34,190		896,696
Bond issuance costs			
<b>Total expenditures</b>	<u>35,400,629</u>	<u>4,563,859</u>	<u>2,486,696</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,206,524)</u>	<u>76,350</u>	<u>476,048</u>
<b>Other financing sources (uses):</b>			
Transfers in	450,043		4,936
Transfers out		(282,100)	
Issuance of school improvement bonds			
Insurance recoveries	31,772		
<b>Total other financing sources (uses):</b>	<u>481,815</u>	<u>(282,100)</u>	<u>4,936</u>
<b>Changes in fund balances</b>	<u>(1,724,709)</u>	<u>(205,750)</u>	<u>480,984</u>
<b>Fund balances, beginning of year</b>	7,015,807	1,388,128	37,729
Increase (decrease) in reserve for inventory	57,700		
<b>Fund balances, end of year</b>	<u>\$ 5,348,798</u>	<u>\$ 1,182,378</u>	<u>\$ 518,713</u>

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>
\$ 13,242	\$ 532,858	\$ 3,471,742
	645,066	12,917,411
	2,494,001	23,139,968
	2,761,514	7,714,618
<u>13,242</u>	<u>6,433,439</u>	<u>47,243,739</u>
	3,408,584	20,676,769
	1,285,200	6,154,941
	185,146	4,887,361
	141,994	3,590,342
	78,878	1,436,582
	4,623	4,602,476
297,146	928,704	4,809,375
		1,692,727
		930,886
46,000		46,000
<u>343,146</u>	<u>6,033,129</u>	<u>48,827,459</u>
<u>(329,904)</u>	<u>400,310</u>	<u>(1,583,720)</u>
		454,979
(4,936)	(167,943)	(454,979)
2,390,000		2,390,000
		31,772
<u>2,385,064</u>	<u>(167,943)</u>	<u>2,421,772</u>
<u>2,055,160</u>	<u>232,367</u>	<u>838,052</u>
297,443	3,433,226	12,172,333
		57,700
<u>\$ 2,352,603</u>	<u>\$ 3,665,593</u>	<u>\$ 13,068,085</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, 2017**

**Net changes in fund balances - total governmental funds** **\$ 838,052**

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	\$ 2,968,092	
Less current year depreciation	<u>(2,622,950)</u>	345,142

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

Property taxes	(83,468)	
Intergovernmental	<u>(232,848)</u>	(316,316)

Bond proceeds provide current financial resources to the governmental funds, but the issuance increases long-term liabilities in the Statement of Activities.		(2,390,000)
---	--	-------------

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	102,727	
Bond principal retirement	<u>1,590,000</u>	1,692,727

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	2,498,046	
Pension expense	<u>(2,369,703)</u>	128,343

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	(4,091)	
Inventory	57,700	
Amortization of deferred bond items	52,820	
Compensated absences	<u>(179,756)</u>	<u>(73,327)</u>

<b>Change in net position in governmental activities</b>		<b><u>\$ 224,621</u></b>
--	--	--------------------------

**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, 2017**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 42,566
<b>Total assets</b>	<u>\$ 42,566</u>
<b><u>LIABILITIES</u></b>	
Due to student groups	\$ 42,566
<b>Total liabilities</b>	<u>\$ 42,566</u>

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, 2017**

**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.

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, 2017**

**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, 2017**

**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, 2017**

**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. Revenues consist of child and adult meal charges and federal reimbursements.

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 Fund – The Fiduciary Fund is an Agency Fund which accounts 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 fund is custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency fund is 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, 2017**

**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, 2017**

**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. Inventory**

All inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

**I. 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.

**J. 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 if purchased or constructed. Donated capital assets are recorded at acquisition 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.



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

**K. 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.

**L. 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.

**M. 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.

**N. 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 are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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.

**O. 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.

**P. 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.

**Q. 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, 2017**

**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, 2017**

**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:					
Nonspendable:					
Inventory	\$ 57,700	\$	\$	\$	\$
Restricted:					
Debt service			518,713		
Capital projects	210,670				988,624
Bond building projects				2,352,603	
Voter approved initiatives					1,950,011
Federal and state projects					44,414
Food service		1,182,378			
Civic center					308,799
Community school					129,203
Extracurricular activities					99,425
Intergovernmental agreements					110,438
Other purposes					34,705
Unassigned	5,080,428				(26)
Total fund balances	<u>\$5,348,798</u>	<u>\$1,182,378</u>	<u>\$518,713</u>	<u>\$2,352,603</u>	<u>\$ 3,665,593</u>

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

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

**Individual Deficit Fund Balance** – At year end, the Fingerprint Fund, a non-major governmental fund, reported a deficit in fund balance of \$26. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

**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 \$12,714 and the bank balance was \$648,090. At year end, \$406,052 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CASH AND INVESTMENTS**

*Fair Value Measurements.* The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

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. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

At year end, the District's investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	1.25 years	\$ 10,314,970
Total		<u>\$ 10,314,970</u>

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

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

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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	\$ 5,345	\$ 22,693	\$ 116,612	\$ 305,512
Due from state government	6,508,239			
Due from other districts				9,647
Net due from governmental entities	<u>\$ 6,513,584</u>	<u>\$ 22,693</u>	<u>\$ 116,612</u>	<u>\$ 315,159</u>

**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	9,919,225	641,676	10,560,901	
Total capital assets, not being depreciated	<u>16,685,793</u>	<u>641,676</u>	<u>10,560,901</u>	<u>6,766,568</u>
Capital assets, being depreciated:				
Land improvements	1,189,237	696,600		1,885,837
Buildings and improvements	73,007,832	11,862,984		84,870,816
Vehicles, furniture and equipment	7,814,943	327,733	8,048	8,134,628
Total capital assets being depreciated	<u>82,012,012</u>	<u>12,887,317</u>	<u>8,048</u>	<u>94,891,281</u>
Less accumulated depreciation for:				
Land improvements	(846,601)	(67,708)		(914,309)
Buildings and improvements	(17,413,574)	(2,006,242)		(19,419,816)
Vehicles, furniture and equipment	(4,251,455)	(549,000)	(3,957)	(4,796,498)
Total accumulated depreciation	<u>(22,511,630)</u>	<u>(2,622,950)</u>	<u>(3,957)</u>	<u>(25,130,623)</u>
Total capital assets, being depreciated, net	<u>59,500,382</u>	<u>10,264,367</u>	<u>4,091</u>	<u>69,760,658</u>
Governmental activities capital assets, net	<u>\$ 76,186,175</u>	<u>\$ 10,906,043</u>	<u>\$ 10,564,992</u>	<u>\$ 76,527,226</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,882,997
Support services – students and staff	44,489
Support services – administration	284,117
Operation and maintenance of plant services	165,217
Student transportation services	176,567
Operation of non-instructional services	69,563
Total depreciation expense – governmental activities	<u>\$ 2,622,950</u>

**NOTE 7 – SHORT TERM DEBT – LINE OF CREDIT**

The District has a \$7,500,000 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	<u>\$ 203,000</u>	<u>\$ 7,901,000</u>	<u>\$ 7,607,000</u>	<u>\$ 497,000</u>

**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:

	<u>Governmental Activities</u>
Asset:	
Building improvements	\$ 993,176
Less: Accumulated depreciation	356,082
Total	<u>\$ 637,634</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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
2018	\$ 136,917
2019	136,917
2020	136,915
Total minimum lease payments	410,749
Less: amount representing interest	50,799
Present value of minimum lease payments	\$ 359,950
Due within one year	\$ 110,912

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project of 2006, Series B (2008)	\$ 7,830,000	4.00%	7/1/17-20	\$ 3,570,000	\$ 840,000
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	3.00%	7/1/17	725,000	725,000
School Improvement Bonds, Project of 2014, Series A (2015)	11,860,000	2.0-4.0%	7/1/17-32	11,835,000	25,000
School Improvements Bond, Project of 2014, Series B (2017)	2,390,000	2.17%	7/1/19-29	2,390,000	
Total				<u>\$ 23,120,000</u>	<u>\$ 1,590,000</u>



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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
2018	\$ 1,590,000	\$ 901,902
2019	1,575,000	856,507
2020	1,715,000	784,662
2021	1,805,000	709,169
2022	1,485,000	636,473
2023-27	7,760,000	2,245,160
2028-32	6,230,000	703,651
2033	960,000	18,000
Total	<u>\$ 23,120,000</u>	<u>\$ 6,855,524</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	\$ 22,255,000	\$ 2,390,000	\$ 1,525,000	\$ 23,120,000	\$ 1,590,000
Premium	449,838		52,820	397,018	
Total bonds payable	<u>22,704,838</u>	<u>2,390,000</u>	<u>1,577,820</u>	<u>23,517,018</u>	<u>1,590,000</u>
Obligations under capital leases	462,677		102,727	359,950	110,912
Net pension liability	38,849,925		524,724	38,325,201	
Compensated absences payable	<u>937,059</u>	<u>574,092</u>	<u>394,336</u>	<u>1,116,815</u>	<u>69,000</u>
Governmental activity long-term liabilities	<u>\$ 62,954,499</u>	<u>\$ 2,964,092</u>	<u>\$ 2,599,607</u>	<u>\$ 63,318,984</u>	<u>\$ 1,769,912</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 \$216,697. 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
Food Service Fund	\$ 282,100	\$	\$ 282,100
Bond Building Fund		4,936	4,936
Non-Major Governmental Funds	167,943		167,943
Total	<u>\$ 450,043</u>	<u>\$ 4,936</u>	<u>\$ 454,979</u>

Transfers between funds were used to 1) move investment income 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.

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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.

**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).

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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.

**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 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$2,498,046.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 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:			
2017	\$	129,769	\$ 32,442
2016		111,334	26,720
2015		136,082	27,678

**Pension Liability.** At June 30, 2017, the District reported a liability of \$38.3 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the District's proportion was 0.24 percent, which was a decrease of 0.01 percent from its proportion measured as of June 30, 2015.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Pension Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$2.4 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232,900	\$ 2,636,494
Changes of assumptions or other inputs		2,027,709
Net difference between projected and actual earnings on pension plan investments	4,153,176	
Changes in proportion and differences between contributions and proportionate share of contributions	501,364	1,355,758
Contributions subsequent to the measurement date	2,498,046	
Total	<u>\$ 7,385,486</u>	<u>\$ 6,019,961</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, 2018. 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:

2018	\$ (1,958,659)
2019	(1,907,393)
2020	1,568,993
2021	1,164,538

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

The actuarial assumptions used in the June 30, 2015 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 8.75 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	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

**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 8.75 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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$48,867,542	\$38,325,201	\$29,872,549

**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).



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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, 2017**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 2,248,952	\$ 2,248,952
Property taxes			7,771,150	7,771,150
State aid and grants			20,636,773	20,636,773
<b>Total revenues</b>			<u>30,656,875</u>	<u>30,656,875</u>
<b>Expenditures:</b>				
Current -				
Instruction	18,249,989	18,174,657	17,031,598	1,143,059
Support services - students and staff	4,834,989	4,691,182	4,680,187	10,995
Support services - administration	4,065,526	4,067,452	3,985,569	81,883
Operation and maintenance of plant services	3,314,206	3,519,976	3,768,899	(248,923)
Student transportation services	1,235,293	1,385,093	1,322,121	62,972
Operation of non-instructional services	103,149	103,150	200,767	(97,617)
<b>Total expenditures</b>	<u>31,803,152</u>	<u>31,941,510</u>	<u>30,989,141</u>	<u>952,369</u>
<b>Changes in fund balances</b>	<u>(31,803,152)</u>	<u>(31,941,510)</u>	<u>(332,266)</u>	<u>31,609,244</u>
<b>Fund balances, beginning of year</b>			2,336,629	2,336,629
Increase (decrease) in reserve for prepaid items			325,744	325,744
Increase (decrease) in reserve for inventory			57,700	57,700
<b>Fund balances (deficits), end of year</b>	<u>\$ (31,803,152)</u>	<u>\$ (31,941,510)</u>	<u>\$ 2,387,807</u>	<u>\$ 34,329,317</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, 2017**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Other local	\$	\$ 463,892	\$ 463,892
Federal aid, grants and reimbursements		4,176,317	4,176,317
<b>Total revenues</b>		<u>4,640,209</u>	<u>4,640,209</u>
<b>Expenditures:</b>			
Current -			
Support services - administration		12,151	(12,151)
Operation of non-instructional services	4,727,600	4,397,086	330,514
Capital outlay		154,622	(154,622)
<b>Total expenditures</b>	<u>4,727,600</u>	<u>4,563,859</u>	<u>163,741</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,727,600)</u>	<u>76,350</u>	<u>4,803,950</u>
<b>Other financing sources (uses):</b>			
Transfers out		(282,100)	(282,100)
<b>Total other financing sources (uses):</b>		<u>(282,100)</u>	<u>(282,100)</u>
<b>Changes in fund balances</b>	<u>(4,727,600)</u>	<u>(205,750)</u>	<u>4,521,850</u>
<b>Fund balances, beginning of year</b>		1,388,128	1,388,128
<b>Fund balances (deficits), end of year</b>	<u>\$ (4,727,600)</u>	<u>\$ 1,182,378</u>	<u>\$ 5,909,978</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**  
**LAST THREE FISCAL YEARS**

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.24%	0.25%	0.25%
District's proportionate share of the net pension liability (asset)	\$ 38,325,201	\$ 38,849,925	\$ 36,326,109
District's covered payroll	\$ 22,266,700	\$ 23,064,702	\$ 22,117,589
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.12%	168.44%	164.24%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

**SCHEDULE OF CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Actuarially determined contribution	\$ 2,498,046	\$ 2,415,937	\$ 2,511,746
Contributions in relation to the actuarially determined contribution	<u>2,498,046</u>	<u>2,415,937</u>	<u>2,511,746</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 23,172,968	\$ 22,266,700	\$ 23,064,702
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 35,400,629	\$ 5,348,798
Activity budgeted as special revenue funds	(894,280)	(2,750,321)
Activity budgeted as capital projects funds	(3,532,952)	(210,670)
Current-year prepaid items	325,744	
Prior year prepaid items	(310,000)	
Schedule of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual – General Fund	<u>\$ 30,989,141</u>	<u>\$ 2,387,807</u>

**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, 2015, 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, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,850,695	\$ 1,072,908	\$ 3,923,603
Accounts receivable	6,678		6,678
Due from governmental entities	315,159		315,159
<b>Total assets</b>	<u><u>\$ 3,172,532</u></u>	<u><u>\$ 1,072,908</u></u>	<u><u>\$ 4,245,440</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 72,817	\$ 84,284	\$ 157,101
Due to other funds	216,967		216,967
Accrued payroll and employee benefits	7,563		7,563
Unearned revenues	198,216		198,216
<b>Total liabilities</b>	<u><u>495,563</u></u>	<u><u>84,284</u></u>	<u><u>579,847</u></u>
Fund balances (deficits):			
Restricted	2,676,995	988,624	3,665,619
Unassigned	(26)		(26)
<b>Total fund balances</b>	<u><u>2,676,969</u></u>	<u><u>988,624</u></u>	<u><u>3,665,593</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 3,172,532</u></u>	<u><u>\$ 1,072,908</u></u>	<u><u>\$ 4,245,440</u></u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 301,339	\$ 231,519	\$ 532,858
Property taxes		645,066	645,066
State aid and grants	2,227,565	266,436	2,494,001
Federal aid, grants and reimbursements	<u>2,761,514</u>		<u>2,761,514</u>
<b>Total revenues</b>	<u>5,290,418</u>	<u>1,143,021</u>	<u>6,433,439</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,408,584		3,408,584
Support services - students and staff	1,285,200		1,285,200
Support services - administration	185,146		185,146
Operation and maintenance of plant services	141,994		141,994
Student transportation services	78,878		78,878
Operation of non-instructional services	4,623		4,623
Capital outlay	<u>235,768</u>	<u>692,936</u>	<u>928,704</u>
<b>Total expenditures</b>	<u>5,340,193</u>	<u>692,936</u>	<u>6,033,129</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(49,775)</u>	<u>450,085</u>	<u>400,310</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(167,943)</u>		<u>(167,943)</u>
<b>Total other financing sources (uses):</b>	<u>(167,943)</u>		<u>(167,943)</u>
<b>Changes in fund balances</b>	<u>(217,718)</u>	<u>450,085</u>	<u>232,367</u>
<b>Fund balances, beginning of year</b>	2,894,687	538,539	3,433,226
<b>Fund balances, end of year</b>	<u><u>\$ 2,676,969</u></u>	<u><u>\$ 988,624</u></u>	<u><u>\$ 3,665,593</u></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.

**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.

**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, 2017**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,657,581	\$ 294,976	\$ 2,367
Accounts receivable			
Due from governmental entities			
<b>Total assets</b>	<u>\$ 1,657,581</u>	<u>\$ 294,976</u>	<u>\$ 2,367</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		2,546	
Unearned revenues			
<b>Total liabilities</b>	<u></u>	<u>2,546</u>	<u></u>
Fund balances (deficits):			
Restricted	1,657,581	292,430	2,367
Unassigned			
<b>Total fund balances</b>	<u>1,657,581</u>	<u>292,430</u>	<u>2,367</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,657,581</u>	<u>\$ 294,976</u>	<u>\$ 2,367</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>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 26,084	\$
118,892	7,098	47,372	110,620	20,820	710
<u>\$ 118,892</u>	<u>\$ 7,098</u>	<u>\$ 47,372</u>	<u>\$ 110,620</u>	<u>\$ 46,904</u>	<u>\$ 710</u>
\$ 18,209	\$	\$ 47,015	\$	\$	\$
98,156	7,098	357	110,620		710
2,527				2,490	
<u>118,892</u>	<u>7,098</u>	<u>47,372</u>	<u>110,620</u>	<u>2,490</u>	<u>710</u>
				44,414	
				<u>44,414</u>	
<u>\$ 118,892</u>	<u>\$ 7,098</u>	<u>\$ 47,372</u>	<u>\$ 110,620</u>	<u>\$ 46,904</u>	<u>\$ 710</u>

(Continued)



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 198,216	\$ 309,714	\$ 129,203
Accounts receivable		6,678	
Due from governmental entities			
<b>Total assets</b>	<u>\$ 198,216</u>	<u>\$ 316,392</u>	<u>\$ 129,203</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 7,593	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues	198,216		
<b>Total liabilities</b>	<u>198,216</u>	<u>7,593</u>	
Fund balances (deficits):			
Restricted		308,799	129,203
Unassigned			
<b>Total fund balances</b>		<u>308,799</u>	<u>129,203</u>
<b>Total liabilities and fund balances</b>	<u>\$ 198,216</u>	<u>\$ 316,392</u>	<u>\$ 129,203</u>

Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund	Intergovernment al Agreements	Totals
\$ 99,425	\$	\$ 17,094	\$ 15,244	\$ 100,791	\$ 2,850,695
					6,678
				9,647	315,159
<u>\$ 99,425</u>	<u>\$</u>	<u>\$ 17,094</u>	<u>\$ 15,244</u>	<u>\$ 110,438</u>	<u>\$ 3,172,532</u>
\$	\$	\$	\$	\$	\$ 72,817
	26				216,967
					7,563
					198,216
	<u>26</u>				<u>495,563</u>
99,425		17,094	15,244	110,438	2,676,995
	(26)				(26)
<u>99,425</u>	<u>(26)</u>	<u>17,094</u>	<u>15,244</u>	<u>110,438</u>	<u>2,676,969</u>
<u>\$ 99,425</u>	<u>\$</u>	<u>\$ 17,094</u>	<u>\$ 15,244</u>	<u>\$ 110,438</u>	<u>\$ 3,172,532</u>

**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, 2017**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 8,139	\$ 1,502	\$ 4
State aid and grants	1,982,500	210,294	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>1,990,639</u>	<u>211,796</u>	<u>4</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,970,654	46,064	
Support services - students and staff	161,309	211,213	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>2,131,963</u>	<u>257,277</u>	
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(141,324)</u>	<u>(45,481)</u>	<u>4</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(141,324)</u>	<u>(45,481)</u>	<u>4</u>
<b>Fund balances, beginning of year</b>	1,798,905	337,911	2,363
<b>Fund balances, end of year</b>	<u>\$ 1,657,581</u>	<u>\$ 292,430</u>	<u>\$ 2,367</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>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 60	\$
1,382,419	116,496	130,674	785,815	210,003	136,107
<u>1,382,419</u>	<u>116,496</u>	<u>130,674</u>	<u>785,815</u>	<u>210,063</u>	<u>136,107</u>
559,961		75,656	544,018	12,088	115,549
622,714	76,501	54,313	56,819	61,290	556
63,124	28,598	505	16,162	9,752	7,943
			67,589		172
4,623			79,891	144,541	8,136
738			<u>764,479</u>	<u>227,671</u>	<u>132,356</u>
<u>1,251,160</u>	<u>105,099</u>	<u>130,474</u>			
131,259	11,397	200	21,336	(17,608)	3,751
<u>(131,259)</u>	<u>(11,397)</u>	<u>(200)</u>	<u>(21,336)</u>		<u>(3,751)</u>
<u>(131,259)</u>	<u>(11,397)</u>	<u>(200)</u>	<u>(21,336)</u>		<u>(3,751)</u>
				(17,608)	
				62,022	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 44,414</u>	<u>\$</u>

(Continued)

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Other State Projects	Civic Center	Community School
<b>Revenues:</b>			
Other local	\$	\$ 69,258	\$ 8,768
State aid and grants	34,771		
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>34,771</u>	<u>69,258</u>	<u>8,768</u>
<b>Expenditures:</b>			
Current -			
Instruction	6,434	3,541	924
Support services - students and staff	27,555	9,040	
Support services - administration	100	26,998	
Operation and maintenance of plant services		70,432	
Student transportation services			
Operation of non-instructional services			
Capital outlay	682	1,780	
<b>Total expenditures</b>	<u>34,771</u>	<u>111,791</u>	<u>924</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(42,533)</u>	<u>7,844</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>(42,533)</u>	<u>7,844</u>
<b>Fund balances, beginning of year</b>		351,332	121,359
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 308,799</u>	<u>\$ 129,203</u>

Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund	Intergovernment al Agreements	Totals
\$ 51,631	\$ 616	\$ 1,609	\$ 90	\$ 159,662	\$ 301,339
					2,227,565
					2,761,514
<u>51,631</u>	<u>616</u>	<u>1,609</u>	<u>90</u>	<u>159,662</u>	<u>5,290,418</u>
30,856				42,839	3,408,584
2,222		1,668			1,285,200
	774			31,190	185,146
				71,562	141,994
11,117					78,878
					4,623
					235,768
<u>44,195</u>	<u>774</u>	<u>1,668</u>		<u>145,591</u>	<u>5,340,193</u>
<u>7,436</u>	<u>(158)</u>	<u>(59)</u>	<u>90</u>	<u>14,071</u>	<u>(49,775)</u>
					(167,943)
					(167,943)
<u>7,436</u>	<u>(158)</u>	<u>(59)</u>	<u>90</u>	<u>14,071</u>	<u>(217,718)</u>
91,989	132	17,153	15,154	96,367	2,894,687
<u>\$ 99,425</u>	<u>\$ (26)</u>	<u>\$ 17,094</u>	<u>\$ 15,244</u>	<u>\$ 110,438</u>	<u>\$ 2,676,969</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, 2017**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 8,139	\$ 8,139
State aid and grants		1,982,500	1,982,500
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,990,639</u>	<u>1,990,639</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,698,298	1,970,654	1,727,644
Support services - students and staff	155,969	161,309	(5,340)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>3,854,267</u>	<u>2,131,963</u>	<u>1,722,304</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,854,267)</u>	<u>(141,324)</u>	<u>3,712,943</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(3,854,267)</u>	<u>(141,324)</u>	<u>3,712,943</u>
<b>Fund balances, beginning of year</b>		1,798,905	1,798,905
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,854,267)</u>	<u>\$ 1,657,581</u>	<u>\$ 5,511,848</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,502 210,294	\$ 1,502 210,294	\$	\$ 4	\$ 4
	211,796	211,796		4	4
286,573	46,064 211,213	(46,064) 75,360	2,340		2,340
286,573	257,277	29,296	2,340		2,340
(286,573)	(45,481)	241,092	(2,340)	4	2,344
(286,573)	(45,481)	241,092	(2,340)	4	2,344
	337,911	337,911		2,363	2,363
\$ (286,573)	\$ 292,430	\$ 579,003	\$ (2,340)	\$ 2,367	\$ 4,707

(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, 2017**

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,382,419	1,382,419
<b>Total revenues</b>		<u>1,382,419</u>	<u>1,382,419</u>
<b>Expenditures:</b>			
Current -			
Instruction	560,000	559,961	39
Support services - students and staff	630,000	622,714	7,286
Support services - administration	70,000	63,124	6,876
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	5,000	4,623	377
Capital outlay	2,409	738	1,671
<b>Total expenditures</b>	<u>1,267,409</u>	<u>1,251,160</u>	<u>16,249</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,267,409)</u>	<u>131,259</u>	<u>1,398,668</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(150,000)	(131,259)	18,741
Insurance recoveries			
<b>Total other financing sources (uses):</b>	<u>(150,000)</u>	<u>(131,259)</u>	<u>18,741</u>
<b>Changes in fund balances</b>	<u>(1,417,409)</u>		<u>1,417,409</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,417,409)</u>	<u>\$</u>	<u>\$ 1,417,409</u>

Professional Development and Technology Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	116,496	116,496		130,674	130,674
	116,496	116,496		130,674	130,674
100,000	76,501	23,499	100,000	75,656	24,344
37,574	28,598	8,976	62,939	54,313	8,626
			5,000	505	4,495
137,574	105,099	32,475	167,939	130,474	37,465
(137,574)	11,397	148,971	(167,939)	200	168,139
(15,000)	(11,397)	3,603	(1,000)	(200)	800
(15,000)	(11,397)	3,603	(1,000)	(200)	800
(152,574)		152,574	(168,939)		168,939
\$ (152,574)	\$	\$ 152,574	\$ (168,939)	\$	\$ 168,939

(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, 2017**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		785,815	785,815
<b>Total revenues</b>		<u>785,815</u>	<u>785,815</u>
<b>Expenditures:</b>			
Current -			
Instruction	650,000	544,018	105,982
Support services - students and staff	65,327	56,819	8,508
Support services - administration	20,000	16,162	3,838
Operation and maintenance of plant services			
Student transportation services	80,000	67,589	12,411
Operation of non-instructional services			
Capital outlay	100,000	79,891	20,109
<b>Total expenditures</b>	<u>915,327</u>	<u>764,479</u>	<u>150,848</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(915,327)</u>	<u>21,336</u>	<u>936,663</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(25,000)	(21,336)	3,664
Insurance recoveries			
<b>Total other financing sources (uses):</b>	<u>(25,000)</u>	<u>(21,336)</u>	<u>3,664</u>
<b>Changes in fund balances</b>	<u>(940,327)</u>		<u>940,327</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (940,327)</u>	<u>\$</u>	<u>\$ 940,327</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,469	\$ 4,469	\$	\$ 60	\$ 60
	311,090	311,090		210,003	210,003
	315,559	315,559		210,063	210,063
420,000	145,326	274,674	13,000	12,088	912
85,000	33,158	51,842	23,000	61,290	(38,290)
162,725	57,838	104,887	1,782	9,752	(7,970)
20,000	10,570	9,430			
10,000	1,063	8,937	90,000	144,541	(54,541)
697,725	247,955	449,770	127,782	227,671	(99,889)
(697,725)	67,604	765,329	(127,782)	(17,608)	110,174
(697,725)	67,604	765,329	(127,782)	(17,608)	110,174
	1,233,874	1,233,874		62,022	62,022
\$ (697,725)	\$ 1,301,478	\$ 1,999,203	\$ (127,782)	\$ 44,414	\$ 172,196

(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, 2017**

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		136,107	136,107
<b>Total revenues</b>		<u>136,107</u>	<u>136,107</u>
<b>Expenditures:</b>			
Current -			
Instruction	116,000	115,549	451
Support services - students and staff	500	556	(56)
Support services - administration	4,700	7,943	(3,243)
Operation and maintenance of plant services			
Student transportation services	282	172	110
Operation of non-instructional services			
Capital outlay	13,104	8,136	4,968
<b>Total expenditures</b>	<u>134,586</u>	<u>132,356</u>	<u>2,230</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(134,586)</u>	<u>3,751</u>	<u>138,337</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(3,800)	(3,751)	49
Insurance recoveries			
<b>Total other financing sources (uses):</b>	<u>(3,800)</u>	<u>(3,751)</u>	<u>49</u>
<b>Changes in fund balances</b>	<u>(138,386)</u>		<u>138,386</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (138,386)</u>	<u>\$</u>	<u>\$ 138,386</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	34,771	34,771		20,682	20,682
	34,771	34,771		20,682	20,682
60,000	6,434	53,566		1,955	(1,955)
100,000	27,555	72,445	30,000		30,000
1,945	100	1,845	40,000	4,766	35,234
5,000	682	4,318	5,000	861	4,139
166,945	34,771	132,174	75,000	7,582	67,418
(166,945)		166,945	(75,000)	13,100	88,100
(166,945)		166,945	(75,000)	13,100	88,100
				171,464	171,464
\$ (166,945)	\$	\$ 166,945	\$ (75,000)	\$ 184,564	\$ 259,564

(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, 2017**

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 69,258	\$ 69,258
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		69,258	69,258
<b>Expenditures:</b>			
Current -			
Instruction	10,000	3,541	6,459
Support services - students and staff	21,000	9,040	11,960
Support services - administration	30,000	26,998	3,002
Operation and maintenance of plant services	90,000	70,432	19,568
Student transportation services			
Operation of non-instructional services			
Capital outlay	2,084	1,780	304
<b>Total expenditures</b>	153,084	111,791	41,293
<b>Excess (deficiency) of revenues over expenditures</b>	(153,084)	(42,533)	110,551
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(153,084)	(42,533)	110,551
<b>Fund balances, beginning of year</b>		351,332	351,332
<b>Fund balances (deficits), end of year</b>	\$ (153,084)	\$ 308,799	\$ 461,883

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 8,768	\$ 8,768	\$	\$ 99,894	\$ 99,894
	8,768	8,768		99,894	99,894
127,302	924	126,378	150,000	66,341	83,659
			60,000	6,654	53,346
			25,940	16,077	9,863
127,302	924	126,378	235,940	89,072	146,868
(127,302)	7,844	135,146	(235,940)	10,822	246,762
(127,302)	7,844	135,146	(235,940)	10,822	246,762
	121,359	121,359		193,644	193,644
\$ (127,302)	\$ 129,203	\$ 256,505	\$ (235,940)	\$ 204,466	\$ 440,406

(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, 2017**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 51,631	\$ 51,631
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		51,631	51,631
<b>Expenditures:</b>			
Current -			
Instruction	70,000	30,856	39,144
Support services - students and staff	10,050	2,222	7,828
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	50,000	11,117	38,883
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	130,050	44,195	85,855
<b>Excess (deficiency) of revenues over expenditures</b>	(130,050)	7,436	137,486
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(130,050)	7,436	137,486
<b>Fund balances, beginning of year</b>		91,989	91,989
<b>Fund balances (deficits), end of year</b>	\$ (130,050)	\$ 99,425	\$ 229,475

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 67,296	\$ 67,296	\$	\$ 616	\$ 616
	67,296	67,296		616	616
25,000	10,735	14,265			
75,000	35,871	39,129			
21,511	1,867	19,644	6,000	774	5,226
15,000	8,936	6,064			
10,000	705	9,295			
146,511	58,114	88,397	6,000	774	5,226
(146,511)	9,182	155,693	(6,000)	(158)	5,842
(146,511)	9,182	155,693	(6,000)	(158)	5,842
	113,747	113,747		132	132
\$ (146,511)	\$ 122,929	\$ 269,440	\$ (6,000)	\$ (26)	\$ 5,974

(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, 2017**

	School Opening		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 17	\$ 17
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		17	17
<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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		17	17
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		17	17
<b>Fund balances, beginning of year</b>		2,979	2,979
<b>Fund balances (deficits), end of year</b>	\$	\$ 2,996	\$ 2,996

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 58	\$ 58	\$	\$ 1,609	\$ 1,609
	58	58		1,609	1,609
500	368	132	16,532	1,668	14,864
753	427	326			
25,000	30,239	(5,239)			
26,253	31,034	(4,781)	16,532	1,668	14,864
(26,253)	(30,976)	(4,723)	(16,532)	(59)	16,473
	31,772	31,772			
	31,772	31,772			
(26,253)	796	27,049	(16,532)	(59)	16,473
	6,754	6,754		17,153	17,153
\$ (26,253)	\$ 7,550	\$ 33,803	\$ (16,532)	\$ 17,094	\$ 33,626

(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, 2017**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,278	\$ 1,278
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		1,278	1,278
<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	53,000		53,000
<b>Total expenditures</b>	53,000		53,000
<b>Excess (deficiency) of revenues over expenditures</b>	(53,000)	1,278	54,278
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(53,000)	1,278	54,278
<b>Fund balances, beginning of year</b>		55,639	55,639
<b>Fund balances (deficits), end of year</b>	\$ (53,000)	\$ 56,917	\$ 109,917

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,818	\$ 3,818	\$	\$ 90	\$ 90
	3,818	3,818		90	90
20,000	12,230	7,770	10,000		10,000
250,000	113,871	136,129			
415,170	334,422	80,748			
685,170	460,523	224,647	10,000		10,000
(685,170)	(456,705)	228,465	(10,000)	90	10,090
	450,043	450,043			
	450,043	450,043			
(685,170)	(6,662)	678,508	(10,000)	90	10,090
	875,179	875,179		15,154	15,154
\$ (685,170)	\$ 868,517	\$ 1,553,687	\$ (10,000)	\$ 15,244	\$ 25,244

(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, 2017**

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 5	\$ 5
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		5	5
<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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		5	5
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		5	5
<b>Fund balances, beginning of year</b>		899	899
<b>Fund balances (deficits), end of year</b>	\$	\$ 904	\$ 904

Intergovernmental Agreements			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 159,662	\$ 159,662	\$	\$ 498,856	\$ 498,856
				2,227,565	2,227,565
				3,072,604	3,072,604
	159,662	159,662		5,799,025	5,799,025
45,000	42,839	2,161	6,076,940	3,645,171	2,431,769
35,000	31,190	3,810	1,971,890	1,474,754	497,136
101,076	71,562	29,514	811,907	579,641	232,266
			231,829	147,187	84,642
			191,222	114,461	76,761
			5,000	4,623	377
			315,597	268,636	46,961
181,076	145,591	35,485	9,604,385	6,234,473	3,369,912
(181,076)	14,071	195,147	(9,604,385)	(435,448)	9,168,937
				450,043	450,043
			(194,800)	(167,943)	26,857
				31,772	31,772
			(194,800)	313,872	508,672
(181,076)	14,071	195,147	(9,799,185)	(121,576)	9,677,609
	96,367	96,367		5,548,866	5,548,866
\$ (181,076)	\$ 110,438	\$ 291,514	\$ (9,799,185)	\$ 5,427,290	\$ 15,226,475



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## **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, 2017**

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 7,108	\$ 7,108
Property taxes		2,489,939	2,489,939
Federal aid, grants and reimbursements		465,697	465,697
<b>Total revenues</b>		<u>2,962,744</u>	<u>2,962,744</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,590,000	1,590,000	
Interest and fiscal charges	860,646	896,696	(36,050)
<b>Total expenditures</b>	<u>2,450,646</u>	<u>2,486,696</u>	<u>(36,050)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,450,646)</u>	<u>476,048</u>	<u>2,926,694</u>
<b>Other financing sources (uses):</b>			
Transfers in		4,936	4,936
<b>Total other financing sources (uses):</b>		<u>4,936</u>	<u>4,936</u>
<b>Changes in fund balances</b>	<u>(2,450,646)</u>	<u>480,984</u>	<u>2,931,630</u>
<b>Fund balances, beginning of year</b>		37,729	37,729
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,450,646)</u>	<u>\$ 518,713</u>	<u>\$ 2,969,359</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.

**Emergency Deficiencies Correction** - to account for monies received from the School Facilities Board to correct emergency deficiencies.

**Building Renewal Grant** - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2017**

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Emergency Deficiencies Correction</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 469,242	\$ 590,441	\$ 1,977
<b>Total assets</b>	<u>\$ 469,242</u>	<u>\$ 590,441</u>	<u>\$ 1,977</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 84,284	\$	\$
<b>Total liabilities</b>	<u>84,284</u>	<u></u>	<u></u>
Fund balances:			
Restricted	384,958	590,441	1,977
<b>Total fund balances</b>	<u>384,958</u>	<u>590,441</u>	<u>1,977</u>
<b>Total liabilities and fund balances</b>	<u>\$ 469,242</u>	<u>\$ 590,441</u>	<u>\$ 1,977</u>

Building Renewal Grant	Totals
\$ 11,248	\$ 1,072,908
\$ 11,248	\$ 1,072,908

\$	\$ 84,284
	84,284

11,248	988,624
11,248	988,624
\$ 11,248	\$ 1,072,908

**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, 2017**

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Emergency Deficiencies Correction</u>
<b>Revenues:</b>			
Other local	\$ 1,393	\$ 230,115	\$ 11
Property taxes	645,066		
State aid and grants			1,966
<b>Total revenues</b>	<u>646,459</u>	<u>230,115</u>	<u>1,977</u>
<b>Expenditures:</b>			
Capital outlay	439,714		
<b>Total expenditures</b>	<u>439,714</u>		
<b>Changes in fund balances</b>	<u>206,745</u>	<u>230,115</u>	<u>1,977</u>
<b>Fund balances, beginning of year</b>	178,213	360,326	
<b>Fund balances, end of year</b>	<u>\$ 384,958</u>	<u>\$ 590,441</u>	<u>\$ 1,977</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 231,519
	645,066
264,470	266,436
<u>264,470</u>	<u>1,143,021</u>
253,222	692,936
<u>253,222</u>	<u>692,936</u>
11,248	450,085
	538,539
<u>\$ 11,248</u>	<u>\$ 988,624</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, 2017**

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 8,173	\$ 8,173
Property taxes		2,011,256	2,011,256
State aid and grants		9,194	9,194
<b>Total revenues</b>		<u>2,028,623</u>	<u>2,028,623</u>
<b>Expenditures:</b>			
Capital outlay	3,865,083	3,396,035	469,048
Debt service -			
Principal retirement	312,727	102,727	210,000
Interest and fiscal charges	157,340	34,190	123,150
Bond issuance costs			
<b>Total expenditures</b>	<u>4,335,150</u>	<u>3,532,952</u>	<u>802,198</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,335,150)</u>	<u>(1,504,329)</u>	<u>2,830,821</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(4,335,150)</u>	<u>(1,504,329)</u>	<u>2,830,821</u>
<b>Fund balances, beginning of year</b>		1,714,999	1,714,999
<b>Fund balances (deficits), end of year</b>	<u>\$ (4,335,150)</u>	<u>\$ 210,670</u>	<u>\$ 4,545,820</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,393 645,066	\$ 1,393 645,066	\$	\$ 13,242	\$ 13,242
	646,459	646,459		13,242	13,242
625,000	439,714	185,286	830,493	297,146	533,347
625,000	439,714	185,286	830,493	46,000 343,146	(46,000) 487,347
(625,000)	206,745	831,745	(830,493)	(329,904)	500,589
				(4,936) 2,390,000	(4,936) 2,390,000
				2,385,064	2,385,064
(625,000)	206,745	831,745	(830,493)	2,055,160	2,885,653
	178,213	178,213		297,443	297,443
\$ (625,000)	\$ 384,958	\$ 1,009,958	\$ (830,493)	\$ 2,352,603	\$ 3,183,096

(Continued)

**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, 2017**

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 230,115	\$ 230,115
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>230,115</u>	<u>230,115</u>
<b>Expenditures:</b>			
Capital outlay	325,000		325,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	<u>325,000</u>		<u>325,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(325,000)</u>	<u>230,115</u>	<u>555,115</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(325,000)</u>	<u>230,115</u>	<u>555,115</u>
<b>Fund balances, beginning of year</b>		360,326	360,326
<b>Fund balances (deficits), end of year</b>	<u>\$ (325,000)</u>	<u>\$ 590,441</u>	<u>\$ 915,441</u>

Emergency Deficiencies Correction		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 11	\$ 11
	1,966	1,966
	1,977	1,977
	1,977	1,977
	1,977	1,977
\$	\$ 1,977	\$ 1,977

Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	264,470	264,470
	264,470	264,470
	253,222	(253,222)
	253,222	(253,222)
	11,248	11,248
	11,248	11,248
\$	\$ 11,248	\$ 11,248

(Continued)

**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, 2017**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 252,934	\$ 252,934
Property taxes		2,656,322	2,656,322
State aid and grants		275,630	275,630
<b>Total revenues</b>		<u>3,184,886</u>	<u>3,184,886</u>
<b>Expenditures:</b>			
Capital outlay	5,645,576	4,386,117	1,259,459
Debt service -			
Principal retirement	312,727	102,727	210,000
Interest and fiscal charges	157,340	34,190	123,150
Bond issuance costs		46,000	(46,000)
<b>Total expenditures</b>	<u>6,115,643</u>	<u>4,569,034</u>	<u>1,546,609</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,115,643)</u>	<u>(1,384,148)</u>	<u>4,731,495</u>
<b>Other financing sources (uses):</b>			
Transfers out		(4,936)	(4,936)
Issuance of school improvement bonds		2,390,000	2,390,000
<b>Total other financing sources (uses):</b>		<u>2,385,064</u>	<u>2,385,064</u>
<b>Changes in fund balances</b>	<u>(6,115,643)</u>	<u>1,000,916</u>	<u>7,116,559</u>
<b>Fund balances, beginning of year</b>		2,550,981	2,550,981
<b>Fund balances (deficits), end of year</b>	<u>\$ (6,115,643)</u>	<u>\$ 3,551,897</u>	<u>\$ 9,667,540</u>

## **AGENCY FUND**

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

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**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**YEAR ENDED JUNE 30, 2017**

	<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>				
<u>Assets</u>				
Cash	\$ <u>43,802</u>	\$ <u>28,616</u>	\$ <u>29,852</u>	\$ <u>42,566</u>
Total assets	\$ <u><u>43,802</u></u>	\$ <u><u>28,616</u></u>	\$ <u><u>29,852</u></u>	\$ <u><u>42,566</u></u>
<u>Liabilities</u>				
Due to student groups	<u>43,802</u>	<u>28,616</u>	<u>29,852</u>	<u>42,566</u>
Total liabilities	\$ <u><u>43,802</u></u>	\$ <u><u>28,616</u></u>	\$ <u><u>29,852</u></u>	\$ <u><u>42,566</u></u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash	\$ <u>43,802</u>	\$ <u>28,616</u>	\$ <u>29,852</u>	\$ <u>42,566</u>
Total assets	\$ <u><u>43,802</u></u>	\$ <u><u>28,616</u></u>	\$ <u><u>29,852</u></u>	\$ <u><u>42,566</u></u>
<u>Liabilities</u>				
Due to student groups	<u>43,802</u>	<u>28,616</u>	<u>29,852</u>	<u>42,566</u>
Total liabilities	\$ <u><u>43,802</u></u>	\$ <u><u>28,616</u></u>	\$ <u><u>29,852</u></u>	\$ <u><u>42,566</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.

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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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>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 55,002,861	\$ 53,316,103	\$ 54,510,270	\$ 54,642,657	\$ 54,943,512
Restricted	5,821,136	7,095,095	6,484,625	6,437,446	4,780,727
Unrestricted	(30,960,414)	(30,772,236)	(30,368,781)	6,445,823	5,852,856
Total net position	<u>\$ 29,863,583</u>	<u>\$ 29,638,962</u>	<u>\$ 30,626,114</u>	<u>\$ 67,525,926</u>	<u>\$ 65,577,095</u>
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 55,256,201	\$ 55,214,369	\$ 51,517,384	\$ 50,763,428	\$ 52,980,118
Restricted	6,093,331	8,176,072	6,415,893	5,554,379	4,472,806
Unrestricted	4,972,943	6,165,272	8,049,268	6,508,051	9,901,890
Total net position	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</u>	<u>\$ 65,982,545</u>	<u>\$ 62,825,858</u>	<u>\$ 67,354,814</u>

**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>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Expenses</b>					
Instruction	\$ 23,799,099	\$ 24,800,192	\$ 25,085,857	\$ 22,603,709	\$ 20,339,637
Support services - students and staff	6,436,126	6,576,747	6,629,917	6,344,537	5,346,160
Support services - administration	5,347,981	4,867,489	4,865,915	4,211,655	4,201,845
Operation and maintenance of plant services	3,797,582	3,555,273	3,973,182	4,016,325	3,095,103
Student transportation services	1,767,152	1,854,233	1,908,702	1,798,976	1,680,250
Operation of non-instructional services	4,708,568	3,649,787	3,781,271	3,655,958	3,139,568
Interest on long-term debt	878,066	963,926	601,005	822,268	780,290
Total expenses	<u>46,734,574</u>	<u>46,267,647</u>	<u>46,845,849</u>	<u>43,453,428</u>	<u>38,582,853</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	266,007	308,993	325,380	204,209	261,054
Operation of non-instructional services	456,641	335,439	350,253	397,405	294,392
Other activities	182,132	293,180	210,385	239,786	223,583
Operating grants and contributions	7,054,231	7,108,886	6,919,745	8,357,119	5,852,233
Capital grants and contributions	735,730	165,115	229,493	322,790	226,356
Total program revenues	<u>8,694,741</u>	<u>8,211,613</u>	<u>8,035,256</u>	<u>9,521,309</u>	<u>6,857,618</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (38,039,833)</u>	<u>\$ (38,056,034)</u>	<u>\$ (38,810,593)</u>	<u>\$ (33,932,119)</u>	<u>\$ (31,725,235)</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenses</b>					
Instruction	\$ 21,048,410	\$ 19,716,894	\$ 23,204,700	\$ 25,848,457	\$ 20,617,659
Support services - students and staff	4,722,586	4,284,328	4,351,556	4,910,946	5,167,102
Support services - administration	4,009,757	3,306,402	3,712,449	3,840,626	3,426,984
Operation and maintenance of plant services	3,070,856	3,363,703	3,532,952	3,423,325	2,916,818
Student transportation services	1,537,027	1,413,880	1,055,660	1,565,093	1,454,647
Operation of non-instructional services	3,099,530	3,095,289	2,936,076	2,780,839	2,370,675
Interest on long-term debt	856,210	891,287	765,864	960,599	1,237,136
Total expenses	<u>38,344,376</u>	<u>36,071,783</u>	<u>39,559,257</u>	<u>43,329,885</u>	<u>37,191,021</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	467,777	114,412	237,127	396,264	508,423
Operation of non-instructional services	303,192	409,644	381,389	473,378	388,098
Other activities	134,918	155,462	87,495	56,365	63,367
Operating grants and contributions	5,661,056	5,423,342	5,929,433	5,824,208	3,491,539
Capital grants and contributions	175,301	3,694,346	281,127	114,245	1,442,548
Total program revenues	<u>6,742,244</u>	<u>9,797,206</u>	<u>6,916,571</u>	<u>6,864,460</u>	<u>5,893,975</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>	<u>\$ (32,642,686)</u>	<u>\$ (36,465,425)</u>	<u>\$ (31,297,046)</u>

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

**(Concluded)**

**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>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net (Expense)/Revenue</b>	\$ (38,039,833)	\$ (38,056,034)	\$ (38,810,593)	\$ (33,932,119)	\$ (31,725,235)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	7,732,091	7,108,266	10,391,205	9,609,885	8,365,772
Property taxes, levied for debt service	2,485,058	1,998,249	1,934,012	1,985,130	1,187,785
Property taxes, levied for capital outlay	2,616,794	3,234,647	391,958	442,848	377,890
Investment income	55,858	82,812	35,223	34,573	53,547
Unrestricted county aid	2,224,802	2,094,375	2,079,064	2,006,377	1,813,870
Unrestricted state aid	22,838,761	22,281,981	22,493,033	21,689,531	19,031,022
Unrestricted federal aid	311,090	268,552	179,069	112,606	149,969
<b>Total general revenues</b>	<b><u>38,264,454</u></b>	<b><u>37,068,882</u></b>	<b><u>37,503,564</u></b>	<b><u>35,880,950</u></b>	<b><u>30,979,855</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 224,621</u></b>	<b><u>\$ (987,152)</u></b>	<b><u>\$ (1,307,029)</u></b>	<b><u>\$ 1,948,831</u></b>	<b><u>\$ (745,380)</u></b>

(Continued)

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

	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>
<b>Net (Expense)/Revenue</b>	\$ (31,602,132)	\$ (26,274,577)	\$ (32,642,686)	\$ (36,465,425)	\$ (31,297,046)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	6,223,517	7,475,059	9,027,112	6,807,742	6,596,017
Property taxes, levied for debt service	3,077,036	2,967,448	1,598,734	2,461,356	2,311,249
Property taxes, levied for capital outlay		115,017	2,632,358	3,486,758	1,588,834
Investment income	73,013	188,897	244,826	428,438	512,447
Unrestricted county aid	1,751,852	1,746,005	1,721,324		
Unrestricted state aid	17,243,476	17,151,308	18,144,761	18,752,175	44,437,150
Unrestricted federal aid		204,011	2,430,258		
<b>Total general revenues</b>	<u>28,368,894</u>	<u>29,847,745</u>	<u>35,799,373</u>	<u>31,936,469</u>	<u>55,445,697</u>
<b>Changes in Net Position</b>	<u>\$ (3,233,238)</u>	<u>\$ 3,573,168</u>	<u>\$ 3,156,687</u>	<u>\$ (4,528,956)</u>	<u>\$ 24,148,651</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 2007-08 through 2008-09.

**(Concluded)**



**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>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Fund:					
Nonspendable	\$ 57,700	\$	\$	\$ 920,922	\$ 684,953
Restricted	210,670	1,714,999	1,162,140	1,308,714	1,264,153
Unassigned	5,080,428	5,300,808	4,711,102	4,062,338	3,424,126
Total General Fund	<u>\$ 5,348,798</u>	<u>\$ 7,015,807</u>	<u>\$ 5,873,242</u>	<u>\$ 6,291,974</u>	<u>\$ 5,373,232</u>
All Other Governmental Funds:					
Restricted	7,719,313	5,156,526	16,933,303	4,916,359	5,101,835
Unassigned	(26)		(70,617)		
Total all other governmental funds	<u>\$ 7,719,287</u>	<u>\$ 5,156,526</u>	<u>\$ 16,862,686</u>	<u>\$ 4,916,359</u>	<u>\$ 5,101,835</u>

**(Continued)**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nondspendable	\$ 526,787	\$ 465,501	\$	\$	\$
Restricted	1,379,702	1,854,699			
Unassigned	2,735,611	5,519,707			
Reserved			300,438	117,319	112,157
Unreserved			542,991	(1,997,016)	4,168,597
Total General Fund	<u>\$ 4,642,100</u>	<u>\$ 7,839,907</u>	<u>\$ 843,429</u>	<u>\$ (1,879,697)</u>	<u>\$ 4,280,754</u>
All Other Governmental Funds:					
Nondspendable	\$	\$	\$	\$	\$
Restricted	6,706,992	10,512,185			
Reserved			86,360	71,598	55,985
Unreserved, reported in:					
Special revenue funds			5,233,948	4,889,622	4,886,223
Capital projects funds			7,289,834	8,759,033	9,845,938
Debt service fund			(21,095)	975,103	819,245
Total all other governmental funds	<u>\$ 6,706,992</u>	<u>\$ 10,512,185</u>	<u>\$ 12,589,047</u>	<u>\$ 14,695,356</u>	<u>\$ 15,607,391</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: nondspendable, 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>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 3,538,301	\$ 3,341,620	\$ 3,308,088	\$ 4,013,021	\$ 2,676,154
National School Lunch Program	4,176,317	3,825,325	4,075,811	4,172,939	3,376,771
Total federal sources	<u>7,714,618</u>	<u>7,166,945</u>	<u>7,383,899</u>	<u>8,185,960</u>	<u>6,052,925</u>
<b>State sources:</b>					
State equalization assistance	20,645,967	20,085,240	20,419,340	19,830,849	17,446,854
State grants	34,771	13,503	27,214	411,618	72,840
School Facilities Board	266,436				54,924
Other revenues	2,192,794	2,196,741	2,073,693	1,858,682	1,584,168
Total state sources	<u>23,139,968</u>	<u>22,295,484</u>	<u>22,520,247</u>	<u>22,101,149</u>	<u>19,158,786</u>
<b>Local sources:</b>					
Property taxes	12,917,411	12,475,137	12,709,520	12,078,963	9,884,176
County aid	2,224,802	2,094,375	2,079,064	2,006,377	1,813,870
Food service sales	456,641	334,114	350,253	397,405	294,392
Investment income	55,858	82,812	35,223	34,573	53,547
Other revenues	734,441	642,209	581,634	484,191	532,506
Total local sources	<u>16,389,153</u>	<u>15,628,647</u>	<u>15,755,694</u>	<u>15,001,509</u>	<u>12,578,491</u>
<b>Total revenues</b>	<u><u>\$ 47,243,739</u></u>	<u><u>\$ 45,091,076</u></u>	<u><u>\$ 45,659,840</u></u>	<u><u>\$ 45,288,618</u></u>	<u><u>\$ 37,790,202</u></u>

(Continued)

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

	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 2,034,522	\$ 2,202,140	\$ 5,661,652	\$ 3,175,703	\$ 2,848,688
State Fiscal Stabilization (ARRA)		204,011			
Education Jobs	490,743	386,264			
National School Lunch Program	3,214,406	2,905,043	2,759,932	2,245,104	1,774,565
Total federal sources	<u>5,739,671</u>	<u>5,697,458</u>	<u>8,421,584</u>	<u>5,420,807</u>	<u>4,623,253</u>
<b>State sources:</b>					
State equalization assistance	15,837,044	16,057,077	19,047,479	14,729,736	23,719,901
State grants	42,954		73,415	676,634	170,082
School Facilities Board				1,115,393	17,699,429
Other revenues	1,406,432	1,132,780	1,604,590	1,561,125	2,051,036
Total state sources	<u>17,286,430</u>	<u>17,189,857</u>	<u>20,725,484</u>	<u>18,082,888</u>	<u>43,640,448</u>
<b>Local sources:</b>					
Property taxes	9,436,658	10,723,581	12,883,612	12,456,705	10,333,655
County aid	1,757,857	1,786,926	1,721,324		
Food service sales	303,192	320,478	324,629	407,189	359,313
Investment income	73,013	123,836	241,924	415,596	537,148
Other revenues	696,984	435,426	385,581	601,168	589,086
Total local sources	<u>12,267,704</u>	<u>13,390,247</u>	<u>15,557,070</u>	<u>13,880,658</u>	<u>11,819,202</u>
<b>Total revenues</b>	<u><u>\$ 35,293,805</u></u>	<u><u>\$ 36,277,562</u></u>	<u><u>\$ 44,704,138</u></u>	<u><u>\$ 37,384,353</u></u>	<u><u>\$ 60,082,903</u></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 2007-08 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>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 20,676,769	\$ 20,234,887	\$ 20,172,488	\$ 19,476,377	\$ 17,877,491
Support services - students and staff	6,154,941	5,952,268	6,155,479	5,960,392	5,099,526
Support services - administration	4,887,361	4,190,570	4,312,939	3,796,371	3,894,780
Operation and maintenance of plant services	3,590,342	3,181,678	3,663,224	3,749,721	2,785,540
Student transportation services	1,436,582	1,278,064	1,456,182	1,390,443	1,376,310
Operation of non-instructional services	4,602,476	3,527,579	3,692,960	3,572,384	3,081,107
Capital outlay	4,809,375	14,652,734	3,634,072	4,424,509	1,971,751
Debt service -					
Interest and fiscal charges	930,886	1,016,745	631,050	699,503	780,290
Principal retirement	1,692,727	1,620,146	1,538,125	1,721,621	1,955,598
Bond issuance costs	46,000		224,741		
<b>Total expenditures</b>	<b><u>\$ 48,827,459</u></b>	<b><u>\$ 55,654,671</u></b>	<b><u>\$ 45,481,260</u></b>	<b><u>\$ 44,791,321</u></b>	<b><u>\$ 38,822,393</u></b>
Expenditures for capitalized assets	\$ 2,968,092	\$ 10,920,526	\$ 1,074,517	\$ 1,888,133	\$ 586,460
Debt service as a percentage of noncapital expenditures	6%	6%	5%	6%	7%

**(Continued)**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 18,795,718	\$ 17,388,184	\$ 20,828,087	\$ 19,269,450	\$ 17,349,326
Support services - students and staff	4,506,786	3,963,924	4,176,708	4,638,812	4,853,517
Support services - administration	3,754,249	3,082,871	3,449,785	3,376,043	2,937,889
Operation and maintenance of plant services	2,811,318	2,776,284	3,313,758	3,183,875	2,664,132
Student transportation services	1,248,118	1,106,115	1,050,557	993,723	1,295,199
Operation of non-instructional services	3,036,608	2,966,207	2,833,818	2,690,382	2,078,561
Capital outlay	5,529,938	4,784,496	6,842,115	7,485,608	27,113,244
Debt service -					
Judgments against the district					
Interest and fiscal charges	856,210	771,960	765,864	960,599	1,369,761
Principal retirement	1,819,146	2,160,601	1,962,548	1,994,471	2,839,831
Bond issuance costs		253,511			148,622
<b>Total expenditures</b>	<u>\$ 42,358,091</u>	<u>\$ 39,254,153</u>	<u>\$ 45,223,240</u>	<u>\$ 44,592,963</u>	<u>\$ 62,650,082</u>
Expenditures for capitalized assets	\$ 3,795,463	\$ 3,203,436	\$ 5,996,816	\$ 3,864,201	\$ 23,683,707
Debt service as a percentage of noncapital expenditures	7%	8%	7%	7%	11%

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

**(Concluded)**

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,583,720)	\$ (10,563,595)	\$ 178,580	\$ 497,297	\$ (1,032,191)
<b>Other financing sources (uses):</b>					
General obligation bonds issued	2,390,000		11,860,000		
Premium on sale of bonds			409,937		
Transfers in	454,979	470,050	668,099	385,312	623,660
Transfers out	(454,979)	(470,050)	(668,099)	(385,312)	(623,660)
Insurance recoveries	31,772				
Total other financing sources (uses)	<u>2,421,772</u>	<u></u>	<u>12,269,937</u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ 838,052</u>	<u>\$ (10,563,595)</u>	<u>\$ 12,448,517</u>	<u>\$ 497,297</u>	<u>\$ (1,032,191)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (7,064,286)	\$ (2,976,591)	\$ (519,102)	\$ (7,208,610)	\$ (2,567,179)
<b>Other financing sources (uses):</b>					
General obligation bonds issued		7,600,000			7,830,000
Premium on sale of bonds		134,184			130,518
Capital lease agreements			938,038	128,951	140,433
Transfers in	295,814	399,844	464,537	598,950	40,839
Transfers out	(295,814)	(399,844)	(464,537)	(598,950)	(40,839)
Total other financing sources (uses)	<u></u>	<u>7,734,184</u>	<u>938,038</u>	<u>128,951</u>	<u>8,100,951</u>
<b>Changes in fund balances</b>	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</u>	<u>\$ 418,936</u>	<u>\$ (7,079,659)</u>	<u>\$ 5,533,772</u>

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 86,685,736	\$ 88,769,446	\$ 90,115,979	\$ 91,009,297	\$ 107,253,601
Agricultural and Vacant	12,658,186	13,257,222	13,568,834	15,870,849	17,831,961
Residential (Owner Occupied)	72,812,666	66,423,404	62,150,024	58,080,439	70,918,078
Residential (Rental)	44,055,914	43,486,628	40,972,735	36,060,869	31,103,815
Railroad, Private Cars and Airlines	653,099	707,976	751,882	674,906	629,897
Historical Property		23,155	26,820	28,598	32,414
Total	<u>\$ 216,865,601</u>	<u>\$ 212,667,831</u>	<u>\$ 207,640,486</u>	<u>\$ 201,724,958</u>	<u>\$ 227,769,766</u>
Gross Full Cash Value	\$ 2,729,351,774	\$ 2,448,365,106	\$ 2,026,208,346	\$ 1,818,863,601	\$ 1,968,364,551
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%	10%	11%	12%
Total Direct Rate	5.97	5.93	5.90	5.98	4.38

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 117,516,790	\$ 67,029,557	\$ 117,441,892	\$ 104,583,295	\$ 83,984,179
Agricultural and Vacant	22,653,450	33,444,404	38,766,995	36,309,781	32,343,496
Residential (Owner Occupied)	79,484,285	104,331,449	145,273,311	135,754,466	102,354,277
Residential (Rental)	31,952,378	37,951,808	40,343,452	32,612,487	23,468,194
Railroad, Private Cars and Airlines	519,588	498,021	512,993	589,408	630,106
Total	<u>\$ 252,163,627</u>	<u>\$ 243,255,239</u>	<u>\$ 342,338,643</u>	<u>\$ 309,849,437</u>	<u>\$ 242,780,252</u>
Gross Full Cash Value	\$ 2,153,625,406	\$ 2,686,378,396	\$ 3,249,300,415	\$ 3,423,609,778	\$ 2,586,217,967
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	9%	11%	9%	9%
Total Direct Rate	3.80	3.47	3.77	3.77	3.94

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

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.



**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 112,013,804	\$ 102,727,234	\$ 92,418,862	\$ 91,848,309	\$ 108,164,053
Agricultural and Vacant	19,039,422	16,371,305	14,516,444	16,597,784	18,146,283
Residential (Owner Occupied)	102,125,338	91,097,821	69,217,449	58,127,943	70,948,949
Residential (Rental)	60,867,572	58,786,878	45,525,827	36,827,465	31,109,955
Railroad, Private Cars and Airlines	699,273	721,525	758,920	681,266	641,785
Historical Property		92,620	101,916	111,531	129,655
Total	<u>\$ 294,745,409</u>	<u>\$ 269,797,383</u>	<u>\$ 222,598,992</u>	<u>\$ 204,194,298</u>	<u>\$ 229,140,680</u>
Gross Full Cash Value	\$ 2,729,351,774	2,448,365,106	2,026,208,346	1,818,863,601	1,968,364,551
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	12%
<b>Estimated Net Full Cash Value</b>	2,307,734,253	2,081,962,044	1,664,704,689	1,469,587,053	1,622,044,631
Total Direct Rate	5.97	5.93	5.90	5.98	4.38

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 91,867,336	\$ 74,377,964	\$ 68,170,222	\$ 60,111,223	\$ 46,337,454
Agricultural and Vacant	23,464,063	39,828,347	56,114,696	57,062,216	47,728,055
Residential (Owner Occupied)	79,542,254	104,686,686	150,329,796	184,544,411	139,223,287
Residential (Rental)	31,962,749	38,183,041	42,064,668	43,927,311	31,272,329
Railroad, Private Cars and Airlines	579,194	593,515	604,151	663,801	694,819
Total	<u>\$ 254,814,338</u>	<u>\$ 324,568,139</u>	<u>\$ 389,531,143</u>	<u>\$ 408,800,218</u>	<u>\$ 310,785,826</u>
Gross Full Cash Value	\$ 2,153,625,406	2,686,378,396	3,249,300,415	3,423,609,778	2,586,217,967
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
<b>Estimated Net Full Cash Value</b>	1,804,723,276	2,287,784,839	2,835,784,603	3,102,842,680	2,324,885,359
Total Direct Rate	3.80	3.47	3.77	3.77	3.94

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

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

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

<u><b>Class</b></u>	<u><b>Fiscal Year</b></u>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

<u><b>Class</b></u>	<u><b>Fiscal Year</b></u>				
	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	Community	Flood	Water	City of Avondale	City of Tolleson	Tolleson Union High School District No. 214			
	Equalization		College District	Control District	Conservation District				Primary	Secondary	Total
2017	0.50	1.40	1.47	0.18	0.14	1.70	3.97	3.57	2.33	3.64	5.97
2016	0.51	1.36	1.49	0.16	0.14	1.75	3.97	4.01	2.48	3.45	5.93
2015	0.51	1.32	1.52	0.14	0.14	1.75	3.75	4.53	2.59	3.31	5.90
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

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

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

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

Taxpayer	2017			2008	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
SVC Manufacturing, Inc.	\$ 18,607,069	8.58 %		\$ 12,851,686	4.14 %
Smith's Food & Drug Centers, Inc.	9,325,221	4.30		15,727,524	5.06
Arizona Public Service Company	7,351,744	3.39		3,055,131	0.98
Phoenix Speedway Corp	4,207,193	1.94		5,790,608	1.86
J & J Coldwater LLC	3,860,208	1.78			
Mechanic (AZ) QRD 15-41, Inc.	3,036,118	1.40		3,924,398	1.26
Crystal Springs Apartments LLC	2,428,895	1.12			
AZEJM Land Holdings/Oxnard Commerceplex LLC	2,363,835	1.09			
Ashton Pointe Apartments, L.P.	2,342,148	1.08			
D.H. Ventures, LLC	2,212,029	1.02			
Continental Pet Technologies				6,256,503	2.01
Taylor Woodrow Inc.				3,491,031	1.12
Richmond American Homes of AZ Inc.				3,209,158	1.03
May-Brownward Investment Co.				2,842,599	0.91
McKesson Corporation				2,568,694	0.83
Total	<u>\$ 55,734,460</u>	<u>25.70 %</u>		<u>\$ 59,717,332</u>	<u>19.20 %</u>

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

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**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>
2017	\$ 12,252,638	\$ 11,856,051	96.76 %	\$	\$ 11,856,051	96.76 %
2016	12,519,102	12,297,642	98.23	218,206	12,515,848	99.97
2015	12,761,428	12,344,821	96.74	413,396	12,758,217	99.97
2014	12,144,131	11,777,361	96.98	364,974	12,142,335	99.99
2013	9,944,964	9,564,004	96.17	379,533	9,943,537	99.99
2012	9,610,825	9,200,259	95.73	355,597	9,555,856	99.43
2011	11,045,280	10,498,742	95.05	545,704	11,044,446	99.99
2010	13,522,874	12,513,492	92.54	717,465	13,230,957	97.84
2009	13,179,902	12,282,024	93.19	826,209	13,108,233	99.46
2008	10,838,782	10,396,831	95.92	441,466	10,838,297	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:	Total	Percentage of	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)				Actual Value (Full Cash Value)			
2017	\$ 23,517,018	\$ 654,955	\$ 22,862,063	0.86 %	\$ 537	\$ 359,950	\$ 23,876,968	0.87 %	\$ 545	0.01 %	
2016	22,704,838	411,700	22,293,138	0.93	535	462,677	23,167,515	0.95	545	0.01	
2015	24,207,657	498,406	23,709,251	1.19	600	557,823	24,765,480	1.22	614	0.01	
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	6.76	437	803,167	17,853,167	7.08	458	0.01	
2011	19,085,000	501,830	18,583,170	7.85	561	937,313	20,022,313	8.23	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	

**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, 2017**

<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:			
Maricopa County Community College District	\$ 509,430,000	0.63 %	\$ 3,209,409
City of Avondale	22,690,000	34.77	7,889,313
City of Goodyear	90,270,000	0.01	9,027
City of Phoenix	1,286,795,000	0.30	3,860,385
City of Tolleson	26,192,537	28.04	7,344,387
Western Maricopa Education Center	141,255,000	1.71	2,415,461
Tolleson Union High School District No. 214	28,600,000	23.53	6,729,580
Subtotal, Overlapping Debt			<u>31,457,562</u>
Direct:			
Littleton Elementary School District No. 65			<u>23,876,968</u>
Total Direct and Overlapping Debt			<u><u>\$ 55,334,530</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	10.54	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,239	
As a Percentage of Net Limited Assessed Valuation	25.05	%
As a Percentage of Gross Full Cash Value	1.11	%

**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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

2) The amounts of debt outstanding for overlapping governments is presented as of 6/30/16.

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

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 294,745,409
Debt limit (10% of assessed value)	29,474,541
Debt applicable to limit	<u>23,120,000</u>
Legal debt margin	<u><u>\$ 6,354,541</u></u>

**Total Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 294,745,409
Debt limit (15% of assessed value)	44,211,811
Debt applicable to limit	<u>23,120,000</u>
Legal debt margin	<u><u>\$ 21,091,811</u></u>

**Fiscal Year Ended June 30**

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Debt Limit	\$ 44,211,811	\$ 40,469,607	\$ 33,389,849	\$ 30,629,145	\$ 34,371,102
Total net debt applicable to limit	<u>23,120,000</u>	<u>22,255,000</u>	<u>24,207,657</u>	<u>13,607,765</u>	<u>15,365,000</u>
Legal debt margin	<u><u>\$ 21,091,811</u></u>	<u><u>\$ 18,214,607</u></u>	<u><u>\$ 9,182,192</u></u>	<u><u>\$ 17,021,380</u></u>	<u><u>\$ 19,006,102</u></u>
Total net debt applicable to the limit as a percentage of debt limit	52%	55%	73%	44%	45%

	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>
Debt Limit	\$ 38,222,151	\$ 48,685,221	\$ 58,429,671	\$ 61,320,033	\$ 46,617,874
Total net debt applicable to limit	<u>17,050,000</u>	<u>19,085,000</u>	<u>13,390,000</u>	<u>14,500,000</u>	<u>15,070,000</u>
Legal debt margin	<u><u>\$ 21,172,151</u></u>	<u><u>\$ 29,600,221</u></u>	<u><u>\$ 45,039,671</u></u>	<u><u>\$ 46,820,033</u></u>	<u><u>\$ 31,547,874</u></u>
Total net debt applicable to the limit as a percentage of debt limit	45%	39%	23%	24%	32%

**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 outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.



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

<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	<b>Estimated District Population</b>
2016	4,137,076	\$ 280,120,037	\$ 40,415	4.5 %	43,828
2015	4,076,438	184,784,917	42,092	5.5	42,473
2014	4,008,651	168,483,421	41,222	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

**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 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

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

Employer	2017			2008	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
State of Arizona	37,118	1.69 %		34,600	1.73 %
Banner Health Systems	42,677	1.94		16,000	0.80
Wal-Mart Stores Inc.	34,090	1.55		29,500	1.48
City of Phoenix	14,439	0.66		16,318	0.82
Wells Fargo Company	15,596	0.71		9,900	0.50
Maricopa County	13,568	0.62		13,000	0.65
Arizona State University	12,715	0.58		11,200	0.56
HonorHealth	13,399	0.61			
Dignity Health	11,182	0.51			
Intel Corp	11,000	0.50		10,000	0.50
Bashas				14,000	0.70
Honeywell				12,000	0.60
Total	<u>205,784</u>	<u>9.37 %</u>		<u>166,518</u>	<u>8.34 %</u>
Total employment	<u>2,196,000</u>			<u>1,995,000</u>	

**Source:** The source of this county-wide information is the Business Journal Book of Lists.

The source of the "Total employment" for 2017 is the U.S. Department of Labor, Bureau of Labor Statistics, by Arizona Department of Administration, Office of Employment and Population Statistics. The source of the remaining information is Elliot D. Pollack & Co., the Greater Phoenix Economic Council, and the Arizona Department of Economic Security.

**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>					
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Supervisory</b>					
Superintendent/principals	8	8	7	7	7
Assistant principals	6	6	10	11	11
Total supervisory	<u>14</u>	<u>14</u>	<u>17</u>	<u>18</u>	<u>18</u>
<b>Instruction</b>					
Teachers	325	293	297	289	266
Other professionals (instructional)	36	24	23	24	21
Aides	76	83	92	77	81
Total instruction	<u>437</u>	<u>400</u>	<u>412</u>	<u>390</u>	<u>368</u>
<b>Support and Administration</b>					
Managers	17	10	10	8	10
Other classified	148	93	114	110	102
Total support and administration	<u>165</u>	<u>103</u>	<u>124</u>	<u>118</u>	<u>112</u>
<b>Total</b>	<u><u>616</u></u>	<u><u>517</u></u>	<u><u>553</u></u>	<u><u>526</u></u>	<u><u>498</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Supervisory</b>					
Superintendent/principals	7	7	7	7	
Assistant principals	10	10	10	10	16
Total supervisory	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>16</u>
<b>Instruction</b>					
Teachers	280	282	300	311	292
Other professionals (instructional)	12	12	12	14	17
Aides	86	65	66	55	71
Total instruction	<u>378</u>	<u>359</u>	<u>378</u>	<u>380</u>	<u>380</u>
<b>Support and Administration</b>					
Managers	7	7	6	5	9
Other classified	113	92	95	96	99
Total support and administration	<u>120</u>	<u>99</u>	<u>101</u>	<u>101</u>	<u>108</u>
<b>Total</b>	<u>515</u>	<u>475</u>	<u>496</u>	<u>498</u>	<u>504</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>
2017	5,366	\$ 41,348,471	\$ 7,706	3.74 %	\$ 46,734,574	\$ 8,709	(2.77) %	325	16.5	81.0 %
2016	5,165	38,365,046	7,428	(1.89)	46,267,647	8,958	(0.35)	293	17.6	81.0
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

**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**

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2017</u></b>	<b><u>2016</u></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><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	27	25	25	25	25	25	25	25	22	18
Square feet	658,092	586,505	586,505	586,505	586,505	586,505	576,739	576,739	521,963	431,455
Capacity	7,882	7,261	7,261	7,261	7,261	7,261	7,261	7,261	6,386	5,263
Enrollment	5,903	5,607	5,607	5,623	5,079	4,860	4,817	4,742	4,909	4,237
<b>Middle</b>										
Buildings										6
Square feet										42,477
Capacity										480
Enrollment										413
<b><u>Administrative</u></b>										
Buildings	3	3	3	3	3	3	3	3	2	2
Square feet	44,678	44,678	44,678	44,678	44,678	44,678	44,678	44,678	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	25	25	23	23	24

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

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