
LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

AVONDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:
Business and Finance Department

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Statement of Assets and Liabilities – Fiduciary Funds	41
Notes to Financial Statements	42

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	68
Classroom Site Fund	67
Pension Schedules	70
OPEB Schedules	71
Notes to Required Supplementary Information	73
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	79
Special Revenue Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	90

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	110
Capital Projects Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	114
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	116
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	125
 <u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	129
Expenses, Program Revenues, and Net (Expense)/Revenue	130
General Revenues and Total Changes in Net Position	132
Fund Balances – Governmental Funds	134
Governmental Funds Revenues	136
Governmental Funds Expenditures and Debt Service Ratio	138

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	140
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	141
Net Full Cash Assessed Value of Taxable Property by Class	142
Property Tax Assessment Ratios	143
Direct and Overlapping Property Tax Rates	144
Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Debt Capacity:	
Outstanding Debt by Type	147
Direct and Overlapping Governmental Activities Debt	148
Direct and Overlapping General Bonded Debt Ratios	148
Legal Debt Margin Information	149
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	150
Principal Employers	151
Operating Information:	
Full-Time Equivalent District Employees by Type	152
Operating Statistics	154
Capital Assets Information	155

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



December 17, 2018

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Littleton Elementary School District No. 65 (District) for the fiscal year ended June 30, 2018.

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, 2018, 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, 2018, 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

Collier Elementary (623) 478-5900
www.coes.littletonaz.org

Estrella Vista STEM Academy (623) 478-6200
www.eves.littletonaz.org

Littleton Elementary (623) 478-5700
www.lnes.littletonaz.org

Tres Rios Service Academy (623) 478-6300
www.tres.littletonaz.org

Country Place Leadership Academy (623) 478-6100
www.cpes.littletonaz.org

Fine Arts Academy (623) 478-6400
www.faes.littletonaz.org

Quentin Elementary (623) 478-6000
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 6,059.

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 2017 Estimate was 83,644.

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 6,059 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 14th in land area. The County's 2018 population was estimated at 4,307,033 and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

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

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

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

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

Through a Special Bond Election in November of 2014, local taxpayers elected to authorize the District to sell \$14.25 million in bonds for the construction of a new elementary campus. Construction of the new campus began in the fall of 2015 and completed the first phase in July 2016 with classes starting July 2016. The Fine Arts Academy opened its doors for students on July 27, 2016. The final phase of construction was complete in fiscal year 2018 with the addition of over 30 thousand square feet of classroom space.

The District continues to see student growth as the projected enrollment is expected to exceed the current student count of 6,059. Conservative estimates indicate that a two to three percent growth rate will continue for the next six to eight years. Voters approved a Bond initiative of \$22.7 million for the acquisition of land, construction to new and existing school facilities and for pupil transportation vehicles in anticipation of the expected growth. The District sold \$3.75 million in Bonds in May 2018 in preparation of proposed land purchases.

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, 2017. This was the eighth 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, 2017. 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 2017-18 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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

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, 2017

Christopher P. Morrell

Executive Director/CEO



2017-2018

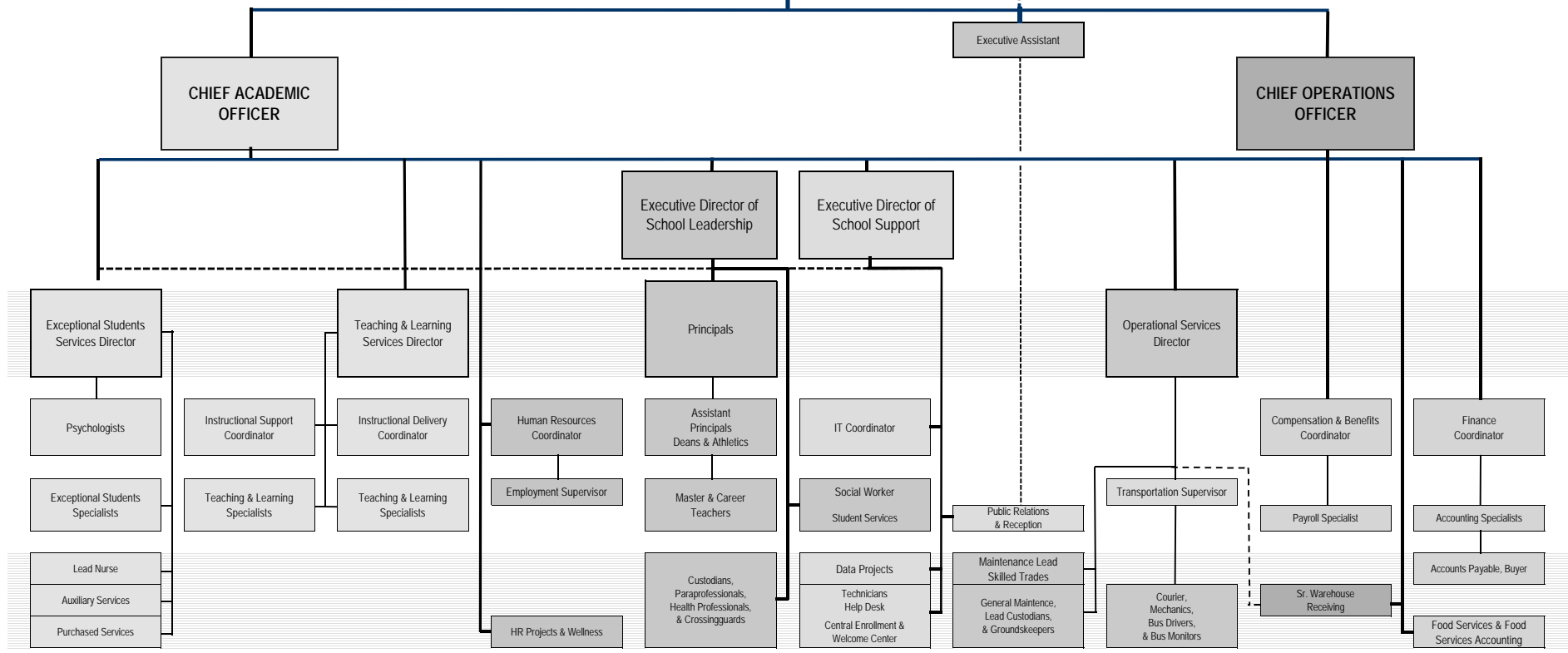
Proposed July 11, 2017

COMMUNITY

GOVERNING BOARD

SUPERINTENDENT

LEADERS
IN LEARNING, CARING, AND GROWING



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

John Raeder III, President

Amy Soucinek, Member

Curtis Nielson, 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

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

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, 2018 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, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, net pension liability information, and other postemployment benefit plan 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 17, 2018, 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 17, 2018

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

(This page intentionally left blank)

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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, 2018. 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 \$3.6 million which represents an 12 percent increase from the prior fiscal year as a result of a \$2.1 million increase in state aid and a \$614,048 increase in property tax revenues.
- General revenues accounted for \$41.1 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.4 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$46.0 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$35.7 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$35.5 million in expenditures. The General Fund's fund balance increase from \$5.3 million at the prior fiscal year end to \$6.1 million at the end of the current fiscal year was primarily due to a \$1.7 million increase in state aid and grants revenues.

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, 2018**

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 decisions. 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, 2018**

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, Classroom Site, 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, the 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 Classroom Site Fund as required supplementary information. Schedules for the pension and other postemployment plans 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 exceeded liabilities and deferred inflows by \$33.4 million at the current fiscal year end.

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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 21,128,030	\$ 17,938,703
Capital assets, net	78,485,131	76,527,226
Total assets	<u>99,613,161</u>	<u>94,465,929</u>
Deferred outflows	<u>5,069,878</u>	<u>7,385,486</u>
Current and other liabilities	1,484,456	2,648,887
Long-term liabilities	66,630,457	63,318,984
Total liabilities	<u>68,114,913</u>	<u>65,967,871</u>
Deferred inflows	<u>3,146,774</u>	<u>6,019,961</u>
Net position:		
Net investment in capital assets	54,284,981	55,002,861
Restricted	8,465,090	5,821,136
Unrestricted	<u>(29,328,719)</u>	<u>(30,960,414)</u>
Total net position	<u>\$ 33,421,352</u>	<u>\$ 29,863,583</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$29.4 million due primarily to the District's proportionate share of the state pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$1.6 million of bonds.
- Accumulated depreciation increased \$3.0 million.
- The issuance of \$3.8 million in school improvement bonds.
- The addition of \$2.0 million of capital lease obligations primarily for the acquisition and installation of certain energy conservation measures.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

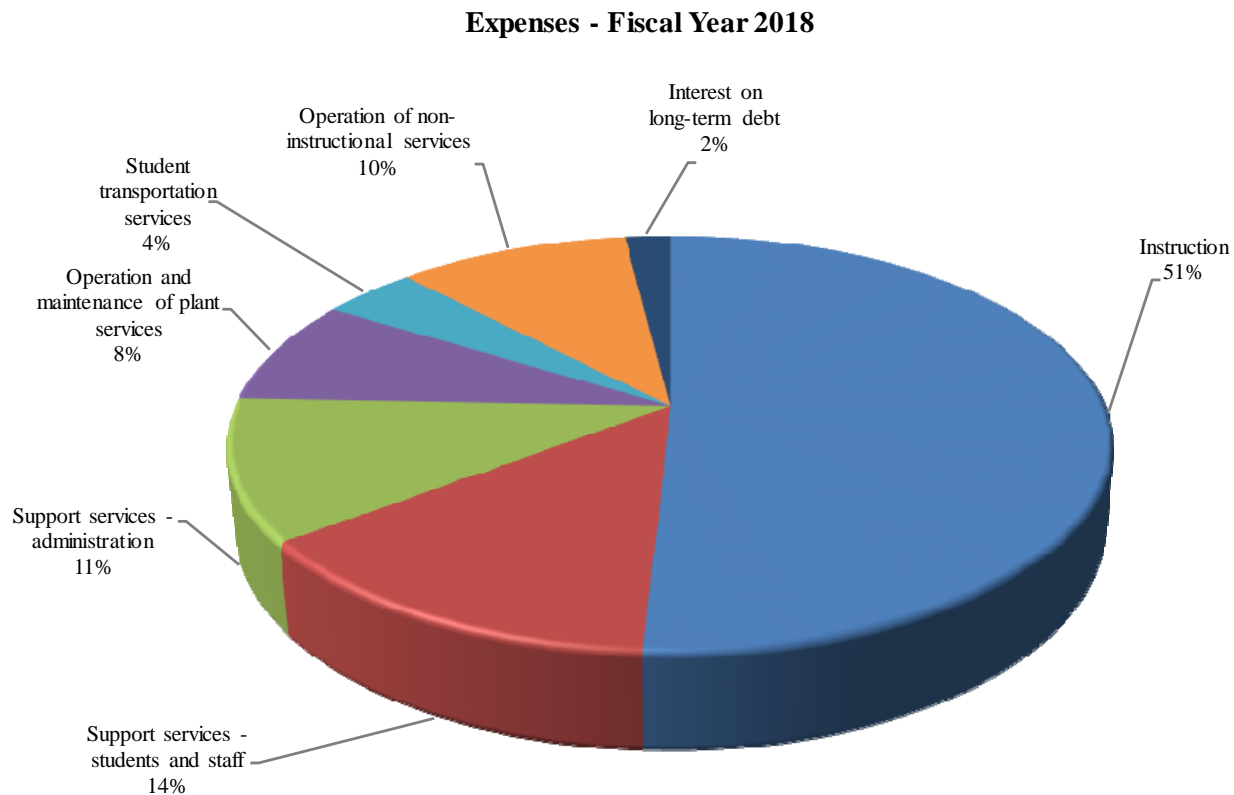
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$49.6 million. The total cost of all programs and services was \$46.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Revenues:		
Program revenues:		
Charges for services	\$ 952,857	\$ 904,780
Operating grants and contributions	7,081,956	7,054,231
Capital grants and contributions	402,609	735,730
General revenues:		
Property taxes	13,447,991	12,833,943
Investment income	100,413	55,858
Unrestricted county aid	2,469,462	2,224,802
Unrestricted state aid	24,934,749	22,838,761
Unrestricted federal aid	183,259	311,090
Total revenues	<u>49,573,296</u>	<u>46,959,195</u>
Expenses:		
Instruction	23,382,170	23,799,099
Support services - students and staff	6,388,519	6,436,126
Support services - administration	5,022,793	5,347,981
Operation and maintenance of plant services	3,786,287	3,797,582
Student transportation services	1,893,209	1,767,152
Operation of non-instructional services	4,654,832	4,708,568
Interest on long-term debt	893,913	878,066
Total expenses	<u>46,021,723</u>	<u>46,734,574</u>
Changes in net position	3,551,573	224,621
Net position, beginning	29,863,583	29,638,962
Net effect of prior period adjustments	6,196	
Net position, beginning, as restated	29,869,779	
Net position, ending	<u>\$ 33,421,352</u>	<u>\$ 29,863,583</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The addition of \$5.0 million in capital assets through the construction and renovation of school buildings, as well as purchases of vehicles, furniture and equipment.
- The issuance of \$3.8 million of general obligation bonds.
- The addition of \$2.0 million of capital lease obligation primarily for the acquisition and installation of certain energy conservation measures.

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.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 23,382,170	\$ (21,019,112)	\$ 23,799,099	\$ (21,761,791)
Support services - students and staff	6,388,519	(5,680,774)	6,436,126	(5,478,814)
Support services - administration	5,022,793	(4,899,012)	5,347,981	(5,179,115)
Operation and maintenance of plant services	3,786,287	(3,534,839)	3,797,582	(3,209,028)
Student transportation services	1,893,209	(1,885,591)	1,767,152	(1,695,169)
Operation of non-instructional services	4,654,832	95,341	4,708,568	(70,699)
Interest on long-term debt	893,913	(660,314)	878,066	(645,217)
Total	<u>\$ 46,021,723</u>	<u>\$ (37,584,301)</u>	<u>\$ 46,734,574</u>	<u>\$ (38,039,833)</u>

- The cost of all governmental activities this year was \$46.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.4 million.
- Net cost of governmental activities of \$37.6 million was financed by general revenues, which are made up of primarily property taxes of \$13.4 million and state and county aid of \$27.4 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.

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 \$17.3 million, an increase of \$4.2 million due primarily to the issuance of \$3.8 million in school improvement bonds.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 35 percent of the total fund balance. Approximately \$5.3 million, or 88 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$728,025 in the General Fund to \$6.1 million as of fiscal year end was primarily a result of a \$1.7 million increase in state aid and grants due to additional revenues due to student growth and increase in the base level.

Fund balance of the Classroom Site Fund increased \$577,796 due to an increase in state revenue.

Fund balance of the Debt Service Fund increased \$190,593 due to the timing of federal interest subsidies.

Fund balance of the Bond Building Fund increased \$1.4 million due to the issuance of \$3.8 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 students, budget balance carryforward, and revenue control limit. The difference between the original budget and the final amended budget was a \$555,253 increase, or two 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 \$926,309 in instruction expenditures was a result of lower than expected salary and benefit expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$106.6 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 \$4.9 million from the prior fiscal year, primarily due to construction and renovation of school buildings. Total depreciation expense for the current fiscal year was \$3.0 million.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Capital assets - non-depreciable	\$ 8,033,817	\$ 6,766,568
Capital assets - depreciable, net	70,451,314	69,760,658
Total	<u>\$ 78,485,131</u>	<u>\$ 76,527,226</u>

The estimated cost to complete current construction projects is \$1.2 million.

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

Debt Administration. At year-end, the District had \$27.9 million in long-term debt outstanding, \$1.8 million due within one year. Long-term debt increased by \$4.0 million primarily due to the issuance of \$3.8 million 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 \$47.8 million and the Class B debt limit is \$31.9 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 9 through 11.

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 2018-19 budget. Among them:

- Fiscal year 2017-18 budget balance carry forward (estimated \$1.1 million).
- District student population (estimated 5,599).

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

Budgeted expenditures in the General Fund increased 11 percent to \$36.7 million in fiscal year 2018-19 primarily due to an increase in average daily membership and a 10 percent increase in teachers' base salary levels. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 budget.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 12,224,729
Property taxes receivable	534,783
Accounts receivable	37,767
Due from governmental entities	7,325,328
Inventory	50,193
Deposits	65,100
Total current assets	<u>20,237,900</u>
Noncurrent assets:	
Cash and investments - restricted	759,539
Net other postemployment benefit assets	130,591
Capital assets not being depreciated	8,033,817
Capital assets, net of accumulated depreciation	<u>70,451,314</u>
Total noncurrent assets	<u>79,375,261</u>
Total assets	<u>99,613,161</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>5,069,878</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	462,429
Construction contracts payable	16,887
Due to governmental entities	132,859
Accrued payroll and employee benefits	250,855
Compensated absences payable	175,000
Accrued interest payable	445,704
Unearned revenues	175,722
Obligations under capital leases	264,657
Bonds payable	<u>1,575,000</u>
Total current liabilities	<u>3,499,113</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>64,615,800</u>
Total noncurrent liabilities	<u>64,615,800</u>
Total liabilities	<u>68,114,913</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>3,146,774</u>
<u>NET POSITION</u>	
Net investment in capital assets	54,284,981
Restricted for:	
Voter approved initiatives	2,503,808
Food service	1,113,011
Civic center	306,844
Community school	141,022
Extracurricular activities tax credit	88,202
Intergovernmental agreements	164,660
Other local initiatives	35,343
Debt service	825,793
Capital outlay	3,286,407
Unrestricted	<u>(29,328,719)</u>
Total net position	<u>\$ 33,421,352</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 23,382,170	\$ 147,972	\$ 1,812,477	\$ 402,609	\$ (21,019,112)
Support services - students and staff	6,388,519	58,196	649,549		(5,680,774)
Support services - administration	5,022,793	42,584	81,197		(4,899,012)
Operation and maintenance of plant services	3,786,287	157,192	94,256		(3,534,839)
Student transportation services	1,893,209		7,618		(1,885,591)
Operation of non-instructional services	4,654,832	546,913	4,203,260		95,341
Interest on long-term debt	893,913		233,599		(660,314)
Total governmental activities	<u>\$ 46,021,723</u>	<u>\$ 952,857</u>	<u>\$ 7,081,956</u>	<u>\$ 402,609</u>	<u>(37,584,301)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	10,467,740
Property taxes, levied for debt service	2,386,442
Property taxes, levied for capital outlay	593,809
Investment income	100,413
Unrestricted county aid	2,469,462
Unrestricted state aid	24,934,749
Unrestricted federal aid	183,259
Total general revenues	<u>41,135,874</u>

Changes in net position 3,551,573

Net position, beginning of year, as restated 29,869,779

Net position, end of year \$ 33,421,352

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Classroom Site</u>	<u>Debt Service</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 2,035,601	\$ 2,699,275
Cash and investments - restricted			
Property taxes receivable	430,210		30,735
Accounts receivable			
Due from governmental entities	6,705,413	199,776	116,487
Due from other funds			
Inventory	50,193		
Deposits			
Total assets	<u><u>\$ 7,185,816</u></u>	<u><u>\$ 2,235,377</u></u>	<u><u>\$ 2,846,497</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 326,290	\$	\$
Construction contracts payable	16,887		
Due to governmental entities			
Due to other funds	117,850		
Accrued payroll and employee benefits	234,147		
Unearned revenues			
Bonds payable			1,575,000
Bond interest payable			445,704
Total liabilities	<u><u>695,174</u></u>	<u><u></u></u>	<u><u>2,020,704</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	413,819		
Unavailable revenues - intergovernmental			116,487
Total deferred inflows of resources	<u><u>413,819</u></u>	<u><u></u></u>	<u><u>116,487</u></u>
Fund balances (deficits):			
Nonspendable	50,193		
Restricted	687,336	2,235,377	709,306
Unassigned	5,339,294		
Total fund balances	<u><u>6,076,823</u></u>	<u><u>2,235,377</u></u>	<u><u>709,306</u></u>
Total liabilities, deferred inflows of resources			
and fund balances	<u><u>\$ 7,185,816</u></u>	<u><u>\$ 2,235,377</u></u>	<u><u>\$ 2,846,497</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>
\$ 3,712,256	\$ 3,777,597	\$ 12,224,729
	759,539	759,539
	73,838	534,783
	37,767	37,767
	303,652	7,325,328
	293,396	293,396
		50,193
	65,100	65,100
<u>\$ 3,712,256</u>	<u>\$ 5,310,889</u>	<u>\$ 21,290,835</u>

\$	\$ 136,139	\$ 462,429
		16,887
	132,859	132,859
	175,546	293,396
	16,708	250,855
	175,722	175,722
		1,575,000
		445,704
<u></u>	<u>636,974</u>	<u>3,352,852</u>

	73,838	487,657
	80,263	196,750
<u></u>	<u>154,101</u>	<u>684,407</u>

		50,193
3,712,256	4,621,242	11,965,517
	(101,428)	5,237,866
<u>3,712,256</u>	<u>4,519,814</u>	<u>17,253,576</u>

<u>\$ 3,712,256</u>	<u>\$ 5,310,889</u>	<u>\$ 21,290,835</u>
---------------------	---------------------	----------------------

(This page intentionally left blank)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total governmental fund balances	\$	17,253,576
---	-----------	-------------------

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	\$ 106,593,773	
Less accumulated depreciation	<u>(28,108,642)</u>	78,485,131

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

Property taxes	487,657	
Intergovernmental	<u>196,750</u>	684,407

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

Deferred outflows of resources related to pensions/OPEB	5,069,878	
Deferred inflows of resources related to pensions/OPEB	<u>(3,146,774)</u>	1,923,104

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.

130,591

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

Compensated absences payable	(1,109,814)	
Obligations under capital leases	(2,269,038)	
Net pension liability	(37,521,293)	
Net OPEB liability	(86,944)	
Bonds payable	<u>(24,068,368)</u>	<u>(65,055,457)</u>

Net position of governmental activities	\$	<u>33,421,352</u>
--	-----------	--------------------------

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, 2018

	<u>General</u>	<u>Classroom Site</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 2,767,356	\$ 16,881	\$ 19,754
Property taxes	10,463,400		2,406,072
State aid and grants	22,304,249	2,397,316	
Federal aid, grants and reimbursements	183,259		233,724
Total revenues	<u>35,718,264</u>	<u>2,414,197</u>	<u>2,659,550</u>
Expenditures:			
Current -			
Instruction	18,120,212	1,713,045	
Support services - students and staff	5,258,910	123,356	
Support services - administration	4,376,555		
Operation and maintenance of plant services	3,420,282		
Student transportation services	1,357,506		
Operation of non-instructional services	229,016		
Capital outlay	2,625,576		
Debt service -			
Principal retirement	110,912		1,575,000
Interest and fiscal charges	26,005		901,558
Bond issuance costs			
Total expenditures	<u>35,524,974</u>	<u>1,836,401</u>	<u>2,476,558</u>
Excess (deficiency) of revenues over expenditures	<u>193,290</u>	<u>577,796</u>	<u>182,992</u>
Other financing sources (uses):			
Transfers in	492,574		7,601
Transfers out			
Capital lease agreements			
Issuance of school improvement bonds			
Insurance recoveries	49,668		
Total other financing sources (uses)	<u>542,242</u>		<u>7,601</u>
Changes in fund balances	<u>735,532</u>	<u>577,796</u>	<u>190,593</u>
Fund balances, beginning of year	5,348,798	1,657,581	518,713
Increase (decrease) in reserve for inventory	(7,507)		
Fund balances, end of year	<u>\$ 6,076,823</u>	<u>\$ 2,235,377</u>	<u>\$ 709,306</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>
\$ 7,601	\$ 1,075,026	\$ 3,886,618
	605,981	13,475,453
	344,663	25,046,228
	6,645,670	7,062,653
<u>7,601</u>	<u>8,671,340</u>	<u>49,470,952</u>
	1,489,705	21,322,962
	1,128,566	6,510,832
	201,812	4,578,367
	117,400	3,537,682
	92,872	1,450,378
	4,303,678	4,532,694
2,328,789	1,535,309	6,489,674
		1,685,912
		927,563
61,558		61,558
<u>2,390,347</u>	<u>8,869,342</u>	<u>51,097,622</u>
<u>(2,382,746)</u>	<u>(198,002)</u>	<u>(1,626,670)</u>
(7,601)	(492,574)	500,175
	2,020,000	(500,175)
3,750,000		2,020,000
		3,750,000
		49,668
<u>3,742,399</u>	<u>1,527,426</u>	<u>5,819,668</u>
<u>1,359,653</u>	<u>1,329,424</u>	<u>4,192,998</u>
2,352,603	3,190,390	13,068,085
		(7,507)
<u>\$ 3,712,256</u>	<u>\$ 4,519,814</u>	<u>\$ 17,253,576</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, 2018

Net changes in fund balances - total governmental funds **\$ 4,192,998**

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	\$ 4,974,159	
Less current year depreciation	<u>(3,003,466)</u>	1,970,693

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

Property taxes	(27,462)	
Intergovernmental	<u>80,138</u>	52,676

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of school improvement bonds	(3,750,000)	
Obligations under capital leases	<u>(2,020,000)</u>	(5,770,000)

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	110,912	
Bond principal retirement	<u>1,575,000</u>	1,685,912

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

Current year pension/OPEB contributions	2,751,043	
Pension/OPEB expense	<u>(1,352,105)</u>	1,398,938

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.

Inventory	(7,507)	
Loss on disposal of assets	(12,788)	
Amortization of deferred bond items	33,650	
Compensated absences	<u>7,001</u>	<u>20,356</u>

Change in net position in governmental activities **\$ 3,551,573**

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, 2018

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 44,609
Total assets	<u>\$ 44,609</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 1,956
Due to student groups	42,653
Total liabilities	<u>\$ 44,609</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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classroom Site Fund – The Classroom Site Fund accounts 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.

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, 2018

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, 2018

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, 2018

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 and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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, 2018

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Classroom Site Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 50,193	\$	\$	\$	\$
Restricted:					
Debt service			709,306		
Capital projects	687,336				2,503,729
Bond building projects				3,712,256	
Voter approved initiatives		2,235,377			268,431
Food service					1,113,011
Civic center					306,844
Community school					141,022
Extracurricular activities					88,202
Intergovernmental agreements					164,660
Other purposes					35,343
Unassigned	5,339,294				(101,428)
Total fund balances	<u>\$6,076,823</u>	<u>\$2,235,377</u>	<u>\$709,306</u>	<u>\$3,712,256</u>	<u>\$ 4,519,814</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 Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 35,566
Professional Development and Technology Grants	4,147
Limited English & Immigrant Students	400
Special Education Grants	40,150
E-Rate	21,165

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficits.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$11,391 and the bank balance was \$138,521. The District also had \$759,539 of lease proceeds held in an escrow account.

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	1.37 years	\$ 12,257,947
Total		<u>\$ 12,257,947</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, 2018

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	Classroom Site Fund	Debt Service Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$	\$116,487	\$ 203,283
Due from state government	6,705,413	199,776		100,369
Net due from governmental entities	<u>\$ 6,705,413</u>	<u>\$ 199,776</u>	<u>\$116,487</u>	<u>\$ 303,652</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		1,267,249		1,267,249
Total capital assets, not being depreciated	<u>6,766,568</u>	<u>1,267,249</u>		<u>8,033,817</u>
Capital assets, being depreciated:				
Land improvements	1,885,837	83,569		1,969,406
Buildings and improvements	84,870,816	3,078,614		87,949,430
Vehicles, furniture and equipment	8,134,628	544,727	38,235	8,641,120
Total capital assets being depreciated	<u>94,891,281</u>	<u>3,706,910</u>	<u>38,235</u>	<u>98,559,956</u>
Less accumulated depreciation for:				
Land improvements	(914,309)	(74,281)		(988,590)
Buildings and improvements	(19,419,816)	(2,284,636)		(21,704,452)
Vehicles, furniture and equipment	(4,796,498)	(644,549)	(25,447)	(5,415,600)
Total accumulated depreciation	<u>(25,130,623)</u>	<u>(3,003,466)</u>	<u>(25,447)</u>	<u>(28,108,642)</u>
Total capital assets, being depreciated, net	<u>69,760,658</u>	<u>703,444</u>	<u>12,788</u>	<u>70,451,314</u>
Governmental activities capital assets, net	<u>\$ 76,527,226</u>	<u>\$ 1,970,693</u>	<u>\$ 12,788</u>	<u>\$ 78,485,131</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,134,496
Support services – students and staff	52,018
Support services – administration	316,534
Operation and maintenance of plant services	231,034
Student transportation services	197,796
Operation of non-instructional services	71,588
Total depreciation expense – governmental activities	<u>\$ 3,003,466</u>

Construction Commitments – At year end, the District had contractual commitments primarily related to the construction of energy retrofits and other energy savings items. At year end the District had spent \$1.3 million on the projects and had estimated remaining contractual commitments of \$1.2 million. These projects are primarily being funded with capital lease proceeds.

NOTE 7 - DUE TO GOVERNMENTAL ENTITIES

Payable balances have been disaggregated by type and presented separately in the financial statements with the exception of due to governmental entities. Due to governmental entities for the District's non-major governmental funds in the aggregate included a \$132,859 due to other districts at year end.

NOTE 8 – 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>\$ 497,000</u>	<u>\$ 6,813,000</u>	<u>\$ 7,310,000</u>	<u>\$</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – 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 and the Energy and Water Savings 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	\$ 993,716
Construction in progress	1,260,461
Less: Accumulated depreciation	405,767
Total	<u>\$ 1,848,410</u>

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:	<u>Governmental Activities</u>
2019	\$ 336,042
2020	336,039
2021	199,125
2022	199,125
2023	199,124
2024-28	995,623
2029-30	398,250
Total minimum lease payments	<u>2,663,328</u>
Less: amount representing interest	<u>394,290</u>
Present value of minimum lease payments	<u>2,269,038</u>
Due within one year	<u>\$ 264,657</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the amount originally authorized, \$18,950,000 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvements bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2018	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2006, Series B (2008)	\$ 7,830,000	4.00%	7/1/18-20	\$ 2,730,000	\$ 875,000
School Improvement Bonds, Project of 2009 Series A-1 (2010)	4,600,000	6.623%	7/1/18-27	4,600,000	450,000
School Improvement Bonds, Project of 2014, Series A (2015)	11,860,000	2.0-4.0%	7/1/18-32	11,810,000	250,000
School Improvements Bonds, Project of 2014, Series B (2017)	2,390,000	2.17%	7/1/19-29	2,390,000	
School Improvements Bonds, Project of 2017, Series A (2018)	3,750,000	2.96%	7/1/19-31	3,750,000	
Total				<u>\$ 25,280,000</u>	<u>\$ 1,575,000</u>

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
2019	\$ 1,575,000	\$ 928,446
2020	1,770,000	894,997
2021	1,910,000	817,133
2022	1,540,000	742,066
2023	1,560,000	678,322
2024-28	9,210,000	2,357,334
2029-33	7,715,000	620,068
Total	<u>\$ 25,280,000</u>	<u>\$ 7,038,366</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 23,120,000	\$ 3,750,000	\$ 1,590,000	\$ 25,280,000	\$ 1,575,000
Premium	397,018		33,650	363,368	
Total bonds payable	<u>23,517,018</u>	<u>3,750,000</u>	<u>1,623,650</u>	<u>25,643,368</u>	<u>1,575,000</u>
Obligations under capital leases	359,950	2,020,000	110,912	2,269,038	264,657
Net OPEB liability	53,576	33,368		86,944	
Net pension liability	38,325,201		803,908	37,521,293	
Compensated absences payable	<u>1,116,815</u>	<u>438,091</u>	<u>445,092</u>	<u>1,109,814</u>	<u>175,000</u>
Governmental activity long-term liabilities	<u>\$ 63,372,560</u>	<u>\$ 6,241,459</u>	<u>\$ 2,983,562</u>	<u>\$ 66,630,457</u>	<u>\$ 2,014,657</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>Non-Major Governmental Funds</u>
General Fund	\$ 117,850
Non-Major Governmental Funds	175,546
Total Due from Other Funds	<u>\$ 293,396</u>

At year end, two funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

Interfund transfers:

	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfers out			
Bond Building Fund	\$	\$ 7,601	\$ 7,601
Non-Major Governmental Funds	492,574		492,574
Total	<u>\$ 492,574</u>	<u>\$ 7,601</u>	<u>\$ 500,175</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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – 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.

NOTE 14 – RISK MANAGEMENT

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

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

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the state. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – 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.

Aggregate Amounts. At June 30, 2018, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (130,591)
Net liability	37,521,293	86,944
Deferred outflows of resources	4,926,345	143,533
Deferred inflows of resources	2,986,554	160,220
Expense	1,229,336	122,769
Contributions	2,607,510	143,533

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	

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT 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.

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 11.50 percent (11.34 percent for retirement and 0.16 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 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2018 were as follows:

	<u>Contributions</u>
Pension	\$ 2,607,510
Health Insurance Premium	105,257
Long-Term Disability	38,276

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 for retirement, 0.10 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The District's proportion of the net assets/liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 37,521,293	0.241	0.003
Health Insurance Premium	(130,591)	0.240	
Long-Term Disability	86,944	0.240	

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 1,229,336
Health Insurance Premium	76,382
Long-Term Disability	46,387

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

Deferred Outflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$	\$
Changes of assumptions or other inputs	1,629,636		
Net difference between projected and actual earnings on pension investments	269,377		
Changes in proportion and differences between contributions and proportionate share of contributions	419,822		
Contributions subsequent to the measurement date	2,607,510	105,257	38,276
Total	\$ 4,926,345	\$ 105,257	\$ 38,276

Deferred Inflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 1,125,096	\$	\$
Changes of assumptions or other inputs	1,121,954		
Net difference between projected and actual earnings on pension investments		147,040	13,006
Changes in proportion and differences between contributions and proportionate share of contributions	739,504	161	13
Total	\$ 2,986,554	\$ 147,201	\$ 13,019

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (1,909,410)	\$ (36,793)	\$ (3,253)
2020	1,610,530	(36,793)	(3,253)
2021	494,263	(36,793)	(3,253)
2022	(863,102)	(36,793)	(3,253)
2023		(29)	(2)
Thereafter			(3)

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

	Pension	OPEB
Actuarial valuation date	June 30, 2016	June 30, 2016
Actuarial roll forward date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.0%	8.0%
Salary increases	3.0-6.75%	Not applicable
Inflation	3.0%	3.0%
Permanent base increases	Included	Not applicable
Mortality rates	1994 GAM Scale BB	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2016 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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans 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 and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 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 plans' 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 investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension and OPEB asset/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:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 48,159,232	\$ 37,521,293	\$ 28,632,384
Health Insurance Premium	216,873	(130,591)	(425,876)
Long-Term Disability	103,963	86,944	72,514

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB 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.

Beginning Net Position Restatement. The implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, represents a change in accounting principle. Net position as of July 1, 2017, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2017, as previously reported	\$ 29,863,583
Net OPEB asset	59,772
Net OPEB liability	(53,576)
Net position, July 1, 2017, as restated	<u>\$ 29,869,779</u>

(This page intentionally left blank)

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, 2018

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,511,091	\$ 2,511,091
Property taxes			7,266,642	7,266,642
State aid and grants			22,304,249	22,304,249
Total revenues			<u>32,081,982</u>	<u>32,081,982</u>
Expenditures:				
Current -				
Instruction	19,311,650	19,174,715	18,248,406	926,309
Support services - students and staff	4,617,971	5,110,854	5,034,935	75,919
Support services - administration	3,879,906	3,923,855	3,695,637	228,218
Operation and maintenance of plant services	3,406,094	3,306,095	3,431,564	(125,469)
Student transportation services	1,389,635	1,389,635	1,318,222	71,413
Operation of non-instructional services	77,806	333,161	228,321	104,840
Total expenditures	<u>32,683,062</u>	<u>33,238,315</u>	<u>31,957,085</u>	<u>1,281,230</u>
Changes in fund balances	<u>(32,683,062)</u>	<u>(33,238,315)</u>	<u>124,897</u>	<u>33,363,212</u>
Fund balances, beginning of year			2,062,063	2,062,063
Increase (decrease) in reserve for prepaid items			695,434	695,434
Increase (decrease) in reserve for inventory			(7,507)	(7,507)
Fund balances (deficits), end of year	<u>\$ (32,683,062)</u>	<u>\$ (33,238,315)</u>	<u>\$ 2,874,887</u>	<u>\$ 36,113,202</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
CLASSROOM SITE
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 16,881	\$ 16,881
State aid and grants			2,397,316	2,397,316
Total revenues			<u>2,414,197</u>	<u>2,414,197</u>
Expenditures:				
Current -				
Instruction	3,995,161	3,972,090	1,713,045	2,259,045
Support services - students and staff	155,670	155,670	123,356	32,314
Total expenditures	<u>4,150,831</u>	<u>4,127,760</u>	<u>1,836,401</u>	<u>2,291,359</u>
Changes in fund balances	<u>(4,150,831)</u>	<u>(4,127,760)</u>	<u>577,796</u>	<u>4,705,556</u>
Fund balances, beginning of year			1,657,581	1,657,581
Fund balances (deficits), end of year	<u>\$ (4,150,831)</u>	<u>\$ (4,127,760)</u>	<u>\$ 2,235,377</u>	<u>\$ 6,363,137</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 FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.24%	0.24%	0.25%	0.25%
District's proportionate share of the net pension (assets) liability	\$ 37,521,293	\$ 38,325,201	\$ 38,849,925	\$ 36,326,109
District's covered payroll	\$ 23,172,968	\$ 22,266,700	\$ 23,064,702	\$ 22,117,589
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	161.92%	172.12%	168.44%	164.24%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,607,510	\$ 2,498,046	\$ 2,415,937	\$ 2,511,746
Contributions in relation to the actuarially determined contribution	<u>2,607,510</u>	<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>
District's covered payroll	\$ 23,922,110	\$ 23,172,968	\$ 22,266,700	\$ 23,064,702
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB 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
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.24%
District's proportionate share of the net OPEB (assets) liability	\$ (130,591)
District's covered payroll	\$ 23,172,968
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Actuarially determined contribution	\$ 105,257
Contributions in relation to the actuarially determined contribution	<u>105,257</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered payroll	\$ 23,922,110
Contributions as a percentage of covered payroll	0.44%

NOTE: The pension and OPEB 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
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.24%
District's proportionate share of the net OPEB (assets) liability	\$ 86,944
District's covered payroll	\$ 23,172,968
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.38%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Actuarially determined contribution	\$ 38,276
Contributions in relation to the actuarially determined contribution	<u>38,276</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered payroll	\$ 23,922,110
Contributions as a percentage of covered payroll	0.16%

NOTE: The pension and OPEB 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, 2018

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	\$ 35,524,974	\$ 6,076,823
Activity budgeted as special revenue funds	(1,217,048)	(2,514,600)
Activity budgeted as capital projects funds	(2,720,531)	(687,336)
Current-year prepaid items	695,434	
Prior year prepaid items	(325,744)	
Schedule of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual – General Fund	<u>\$ 31,957,085</u>	<u>\$ 2,874,887</u>

NOTE 2 – PENSION AND OPEB 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, 2016, 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.

(This page intentionally left blank)

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,062,032	\$ 1,715,565	\$ 3,777,597
Cash and investments - restricted		759,539	759,539
Property taxes receivable		73,838	73,838
Accounts receivable	9,142	28,625	37,767
Due from governmental entities	303,652		303,652
Due from other funds	293,396		293,396
Deposits	65,100		65,100
Total assets	<u>\$ 2,733,322</u>	<u>\$ 2,577,567</u>	<u>\$ 5,310,889</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 136,139	\$	\$ 136,139
Due to governmental entities	132,859		132,859
Due to other funds	175,546		175,546
Accrued payroll and employee benefits	16,708		16,708
Unearned revenues	175,722		175,722
Total liabilities	<u>636,974</u>		<u>636,974</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		73,838	73,838
Unavailable revenues - intergovernmental	80,263		80,263
Total deferred inflows of resources	<u>80,263</u>	<u>73,838</u>	<u>154,101</u>
Fund balances (deficits):			
Restricted	2,117,513	2,503,729	4,621,242
Unassigned	(101,428)		(101,428)
Total fund balances	<u>2,016,085</u>	<u>2,503,729</u>	<u>4,519,814</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,733,322</u>	<u>\$ 2,577,567</u>	<u>\$ 5,310,889</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, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 869,852	\$ 205,174	\$ 1,075,026
Property taxes		605,981	605,981
State aid and grants	339,583	5,080	344,663
Federal aid, grants and reimbursements	<u>6,645,670</u>		<u>6,645,670</u>
Total revenues	<u>7,855,105</u>	<u>816,235</u>	<u>8,671,340</u>
Expenditures:			
Current -			
Instruction	1,489,705		1,489,705
Support services - students and staff	1,128,566		1,128,566
Support services - administration	201,812		201,812
Operation and maintenance of plant services	117,400		117,400
Student transportation services	92,872		92,872
Operation of non-instructional services	4,303,678		4,303,678
Capital outlay	<u>214,179</u>	<u>1,321,130</u>	<u>1,535,309</u>
Total expenditures	<u>7,548,212</u>	<u>1,321,130</u>	<u>8,869,342</u>
Excess (deficiency) of revenues over expenditures	<u>306,893</u>	<u>(504,895)</u>	<u>(198,002)</u>
Other financing sources (uses):			
Transfers out	(492,574)		(492,574)
Capital lease agreements		<u>2,020,000</u>	<u>2,020,000</u>
Total other financing sources (uses)	<u>(492,574)</u>	<u>2,020,000</u>	<u>1,527,426</u>
Changes in fund balances	<u>(185,681)</u>	<u>1,515,105</u>	<u>1,329,424</u>
Fund balances, beginning of year	2,201,766	988,624	3,190,390
Fund balances, end of year	<u>\$ 2,016,085</u>	<u>\$ 2,503,729</u>	<u>\$ 4,519,814</u>

SPECIAL REVENUE FUNDS

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.

Food Service - to account 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.

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, 2018

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 171,115	\$ 2,380	\$
Accounts receivable			
Due from governmental entities	100,369		100,982
Due from other funds			
Deposits			
Total assets	<u><u>\$ 271,484</u></u>	<u><u>\$ 2,380</u></u>	<u><u>\$ 100,982</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 14,117
Due to governmental entities			
Due to other funds			77,755
Accrued payroll and employee benefits	3,053		9,110
Unearned revenues			
Total liabilities	<u><u>3,053</u></u>		<u><u>100,982</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>35,566</u>
Fund balances (deficits):			
Restricted	268,431	2,380	
Unassigned			(35,566)
Total fund balances	<u><u>268,431</u></u>	<u><u>2,380</u></u>	<u><u>(35,566)</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 271,484</u></u>	<u><u>\$ 2,380</u></u>	<u><u>\$ 100,982</u></u>

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects	Other State Projects
\$	\$	\$	\$	\$ 16,375	\$ 170,147
4,147	400	40,150	37,218		
<u>\$ 4,147</u>	<u>\$ 400</u>	<u>\$ 40,150</u>	<u>\$ 37,218</u>	<u>\$ 16,375</u>	<u>\$ 170,147</u>
\$ 1,311	\$	\$ 2,720	\$ 1,258	\$ 10,800	\$
2,836	400	37,430	57,125		
<u>4,147</u>	<u>400</u>	<u>40,150</u>	<u>58,383</u>	<u>5,575</u> <u>16,375</u>	<u>170,147</u> <u>170,147</u>
<u>4,147</u>	<u>400</u>	<u>40,150</u>			
(4,147)	(400)	(40,150)	(21,165)		
<u>(4,147)</u>	<u>(400)</u>	<u>(40,150)</u>	<u>(21,165)</u>		
<u>\$ 4,147</u>	<u>\$ 400</u>	<u>\$ 40,150</u>	<u>\$ 37,218</u>	<u>\$ 16,375</u>	<u>\$ 170,147</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,266,625	\$ 15,249	\$ 141,022
Accounts receivable			
Due from governmental entities	20,386		
Due from other funds		293,396	
Deposits	65,100		
Total assets	<u><u>\$ 1,352,111</u></u>	<u><u>\$ 308,645</u></u>	<u><u>\$ 141,022</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 104,132	\$ 1,801	\$
Due to governmental entities	132,859		
Due to other funds			
Accrued payroll and employee benefits	2,109		
Unearned revenues			
Total liabilities	<u><u>239,100</u></u>	<u><u>1,801</u></u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	1,113,011	306,844	141,022
Unassigned			
Total fund balances	<u><u>1,113,011</u></u>	<u><u>306,844</u></u>	<u><u>141,022</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,352,111</u></u>	<u><u>\$ 308,645</u></u>	<u><u>\$ 141,022</u></u>

<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Intergovernmenta l Agreements</u>	<u>Totals</u>
\$ 88,202	\$ 740	\$ 16,720	\$ 15,503	\$ 157,954 9,142	\$ 2,062,032 9,142 303,652 293,396 65,100
<u>\$ 88,202</u>	<u>\$ 740</u>	<u>\$ 16,720</u>	<u>\$ 15,503</u>	<u>\$ 167,096</u>	<u>\$ 2,733,322</u>
\$	\$	\$	\$	\$	\$ 136,139 132,859 175,546 16,708 175,722
				2,436	636,974
				2,436	
					80,263
88,202	740	16,720	15,503	164,660	2,117,513 (101,428)
<u>88,202</u>	<u>740</u>	<u>16,720</u>	<u>15,503</u>	<u>164,660</u>	<u>2,016,085</u>
<u>\$ 88,202</u>	<u>\$ 740</u>	<u>\$ 16,720</u>	<u>\$ 15,503</u>	<u>\$ 167,096</u>	<u>\$ 2,733,322</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, 2018

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 3,064	\$ 13	\$
State aid and grants	233,184		
Federal aid, grants and reimbursements			1,193,454
Total revenues	<u>236,248</u>	<u>13</u>	<u>1,193,454</u>
Expenditures:			
Current -			
Instruction	36,000		539,240
Support services - students and staff	224,247		595,412
Support services - administration			30,470
Operation and maintenance of plant services			
Student transportation services			18,019
Operation of non-instructional services			14,033
Capital outlay			7,607
Total expenditures	<u>260,247</u>	<u></u>	<u>1,204,781</u>
Excess (deficiency) of revenues over expenditures	<u>(23,999)</u>	<u>13</u>	<u>(11,327)</u>
Other financing sources (uses):			
Transfers out			(24,239)
Total other financing sources (uses)			<u>(24,239)</u>
Changes in fund balances	<u>(23,999)</u>	<u>13</u>	<u>(35,566)</u>
Fund balances (deficits), beginning of year	292,430	2,367	
Fund balances (deficits), end of year	<u>\$ 268,431</u>	<u>\$ 2,380</u>	<u>\$ (35,566)</u>

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects	Other State Projects
\$	\$	\$	\$ 52	\$	\$
					106,399
91,574	117,705	813,993	119,370	116,316	
91,574	117,705	813,993	119,422	116,316	106,399
	24,466	661,521	40,026	68,643	36,926
62,766	92,814	73,007	21,164	14,238	31,077
31,049	425	16,744	47,099	28,980	
		66,790		178	
		244		244	
		18,597	76,712	2,530	38,396
93,815	117,705	836,903	185,001	114,813	106,399
(2,241)		(22,910)	(65,579)	1,503	
(1,906)	(400)	(17,240)		(1,503)	
(1,906)	(400)	(17,240)		(1,503)	
(4,147)	(400)	(40,150)	(65,579)		
			44,414		
\$ (4,147)	\$ (400)	\$ (40,150)	\$ (21,165)	\$	\$

(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, 2018

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
Revenues:			
Other local	\$ 553,110	\$ 61,403	\$ 12,585
State aid and grants			
Federal aid, grants and reimbursements	4,193,258		
Total revenues	<u>4,746,368</u>	<u>61,403</u>	<u>12,585</u>
Expenditures:			
Current -			
Instruction		24	
Support services - students and staff		8,534	766
Support services - administration	13,828	2,604	
Operation and maintenance of plant services		47,323	
Student transportation services			
Operation of non-instructional services	4,289,157		
Capital outlay	65,464	4,873	
Total expenditures	<u>4,368,449</u>	<u>63,358</u>	<u>766</u>
Excess (deficiency) of revenues over expenditures	<u>377,919</u>	<u>(1,955)</u>	<u>11,819</u>
Other financing sources (uses):			
Transfers out	(447,286)		
Total other financing sources (uses)	<u>(447,286)</u>		
Changes in fund balances	<u>(69,367)</u>	<u>(1,955)</u>	<u>11,819</u>
Fund balances (deficits), beginning of year	1,182,378	308,799	129,203
Fund balances, end of year	<u>\$ 1,113,011</u>	<u>\$ 306,844</u>	<u>\$ 141,022</u>

Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund	Intergovernmental Agreements	Totals
\$ 43,300	\$ 788	\$ 2,754	\$ 259	\$ 192,524	\$ 869,852
					339,583
					6,645,670
<u>43,300</u>	<u>788</u>	<u>2,754</u>	<u>259</u>	<u>192,524</u>	<u>7,855,105</u>
45,080		145		37,634	1,489,705
1,558		2,983			1,128,566
	22			30,591	201,812
				70,077	117,400
7,885					92,872
					4,303,678
					214,179
<u>54,523</u>	<u>22</u>	<u>3,128</u>		<u>138,302</u>	<u>7,548,212</u>
(11,223)	<u>766</u>	<u>(374)</u>	<u>259</u>	<u>54,222</u>	<u>306,893</u>
					(492,574)
					(492,574)
(11,223)	<u>766</u>	<u>(374)</u>	<u>259</u>	<u>54,222</u>	<u>(185,681)</u>
99,425	(26)	17,094	15,244	110,438	2,201,766
<u>\$ 88,202</u>	<u>\$ 740</u>	<u>\$ 16,720</u>	<u>\$ 15,503</u>	<u>\$ 164,660</u>	<u>\$ 2,016,085</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, 2018

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,064	\$ 3,064
State aid and grants		233,184	233,184
Federal aid, grants and reimbursements			
Total revenues		<u>236,248</u>	<u>236,248</u>
Expenditures:			
Current -			
Instruction	42,873	36,000	6,873
Support services - students and staff	230,000	224,247	5,753
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>272,873</u>	<u>260,247</u>	<u>12,626</u>
Excess (deficiency) of revenues over expenditures	<u>(272,873)</u>	<u>(23,999)</u>	<u>248,874</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(272,873)</u>	<u>(23,999)</u>	<u>248,874</u>
Fund balances (deficits), beginning of year		292,430	292,430
Fund balances (deficits), end of year	<u>\$ (272,873)</u>	<u>\$ 268,431</u>	<u>\$ 541,304</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13	\$ 13	\$	\$	\$
				1,193,454	1,193,454
	13	13		1,193,454	1,193,454
2,340		2,340	600,000	539,240	60,760
			680,000	595,412	84,588
			45,000	30,470	14,530
			30,000	18,019	11,981
			30,000	14,033	15,967
			15,266	7,607	7,659
2,340		2,340	1,400,266	1,204,781	195,485
(2,340)	13	2,353	(1,400,266)	(11,327)	1,388,939
				(24,239)	(24,239)
				(24,239)	(24,239)
(2,340)	13	2,353	(1,400,266)	(35,566)	1,364,700
	2,367	2,367			
\$ (2,340)	\$ 2,380	\$ 4,720	\$ (1,400,266)	\$ (35,566)	\$ 1,364,700

(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, 2018

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		91,574	91,574
Total revenues		<u>91,574</u>	<u>91,574</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	110,000	62,766	47,234
Support services - administration	85,957	31,049	54,908
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>195,957</u>	<u>93,815</u>	<u>102,142</u>
Excess (deficiency) of revenues over expenditures	<u>(195,957)</u>	<u>(2,241)</u>	<u>193,716</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,906)	(1,906)
Insurance recoveries			
Total other financing sources (uses)		<u>(1,906)</u>	<u>(1,906)</u>
Changes in fund balances	<u>(195,957)</u>	<u>(4,147)</u>	<u>191,810</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (195,957)</u>	<u>\$ (4,147)</u>	<u>\$ 191,810</u>

Limited English & Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	117,705	117,705		813,993	813,993
	117,705	117,705		813,993	813,993
50,000	24,466	25,534	710,000	661,521	48,479
106,000	92,814	13,186	120,000	73,007	46,993
3,735	425	3,310	30,000	16,744	13,256
			85,000	66,790	18,210
			7,137	244	6,893
			30,000	18,597	11,403
159,735	117,705	42,030	982,137	836,903	145,234
(159,735)		159,735	(982,137)	(22,910)	959,227
	(400)	(400)		(17,240)	(17,240)
	(400)	(400)		(17,240)	(17,240)
(159,735)	(400)	159,335	(982,137)	(40,150)	941,987
\$ (159,735)	\$ (400)	\$ 159,335	\$ (982,137)	\$ (40,150)	\$ 941,987

(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, 2018

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,483	\$ 5,483
State aid and grants			
Federal aid, grants and reimbursements		183,259	183,259
Total revenues		<u>188,742</u>	<u>188,742</u>
Expenditures:			
Current -			
Instruction	160,000	144,168	15,832
Support services - students and staff	50,000	33,822	16,178
Support services - administration	400,000	364,788	35,212
Operation and maintenance of plant services	7,953	2,220	5,733
Student transportation services	10,000	8,517	1,483
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>627,953</u>	<u>553,515</u>	<u>74,438</u>
Excess (deficiency) of revenues over expenditures	<u>(627,953)</u>	<u>(364,773)</u>	<u>263,180</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(627,953)</u>	<u>(364,773)</u>	<u>263,180</u>
Fund balances (deficits), beginning of year		1,301,478	1,301,478
Fund balances (deficits), end of year	<u>\$ (627,953)</u>	<u>\$ 936,705</u>	<u>\$ 1,564,658</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 52	\$ 52	\$	\$	\$
	119,370	119,370		116,316	116,316
	119,422	119,422		116,316	116,316
41,000	40,026	974	80,000	68,643	11,357
22,000	21,164	836	18,000	14,238	3,762
48,000	47,099	901	30,000	28,980	1,020
			1,000	178	822
			1,000	244	756
62,263	76,712	(14,449)	7,793	2,530	5,263
173,263	185,001	(11,738)	137,793	114,813	22,980
(173,263)	(65,579)	107,684	(137,793)	1,503	139,296
				(1,503)	(1,503)
				(1,503)	(1,503)
(173,263)	(65,579)	107,684	(137,793)		137,793
	44,414	44,414			
\$ (173,263)	\$ (21,165)	\$ 152,098	\$ (137,793)	\$	\$ 137,793

(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, 2018

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		106,399	106,399
Federal aid, grants and reimbursements			
Total revenues		<u>106,399</u>	<u>106,399</u>
Expenditures:			
Current -			
Instruction	59,000	36,926	22,074
Support services - students and staff	56,000	31,077	24,923
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	61,000	38,396	22,604
Total expenditures	<u>176,000</u>	<u>106,399</u>	<u>69,601</u>
Excess (deficiency) of revenues over expenditures	<u>(176,000)</u>		<u>176,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(176,000)</u>		<u>176,000</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (176,000)</u>	<u>\$</u>	<u>\$ 176,000</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 24,991	\$ 24,991	\$	\$ 553,110	\$ 553,110
				4,193,258	4,193,258
	24,991	24,991		4,746,368	4,746,368
82,000		82,000	24,347	13,828	10,519
			4,300,000	4,289,157	10,843
			90,000	65,464	24,536
82,000		82,000	4,414,347	4,368,449	45,898
(82,000)	24,991	106,991	(4,414,347)	377,919	4,792,266
				(447,286)	(447,286)
				(447,286)	(447,286)
(82,000)	24,991	106,991	(4,414,347)	(69,367)	4,344,980
	184,564	184,564		1,182,378	1,182,378
\$ (82,000)	\$ 209,555	\$ 291,555	\$ (4,414,347)	\$ 1,113,011	\$ 5,527,358

(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, 2018

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 61,403	\$ 61,403
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>61,403</u>	<u>61,403</u>
Expenditures:			
Current -			
Instruction	1,000	24	976
Support services - students and staff	36,885	8,534	28,351
Support services - administration	26,000	2,604	23,396
Operation and maintenance of plant services	100,000	47,323	52,677
Student transportation services			
Operation of non-instructional services			
Capital outlay	35,000	4,873	30,127
Total expenditures	<u>198,885</u>	<u>63,358</u>	<u>135,527</u>
Excess (deficiency) of revenues over expenditures	<u>(198,885)</u>	<u>(1,955)</u>	<u>196,930</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(198,885)</u>	<u>(1,955)</u>	<u>196,930</u>
Fund balances (deficits), beginning of year		308,799	308,799
Fund balances (deficits), end of year	<u>\$ (198,885)</u>	<u>\$ 306,844</u>	<u>\$ 505,729</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 12,585	\$ 12,585	\$	\$ 145,964	\$ 145,964
	<u>12,585</u>	<u>12,585</u>		<u>145,964</u>	<u>145,964</u>
139,738	766	138,972	150,000	44,305	105,695
			100,000	33,985	66,015
			83,909	16,414	67,495
<u>139,738</u>	<u>766</u>	<u>138,972</u>	<u>333,909</u>	<u>94,704</u>	<u>239,205</u>
<u>(139,738)</u>	<u>11,819</u>	<u>151,557</u>	<u>(333,909)</u>	<u>51,260</u>	<u>385,169</u>
<u>(139,738)</u>	<u>11,819</u>	<u>151,557</u>	<u>(333,909)</u>	<u>51,260</u>	<u>385,169</u>
	129,203	129,203		204,466	204,466
<u>\$ (139,738)</u>	<u>\$ 141,022</u>	<u>\$ 280,760</u>	<u>\$ (333,909)</u>	<u>\$ 255,726</u>	<u>\$ 589,635</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 43,300	\$ 43,300
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>43,300</u>	<u>43,300</u>
Expenditures:			
Current -			
Instruction	75,000	45,080	29,920
Support services - students and staff	4,972	1,558	3,414
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	25,000	7,885	17,115
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>104,972</u>	<u>54,523</u>	<u>50,449</u>
Excess (deficiency) of revenues over expenditures	<u>(104,972)</u>	<u>(11,223)</u>	<u>93,749</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(104,972)</u>	<u>(11,223)</u>	<u>93,749</u>
Fund balances (deficits), beginning of year		99,425	99,425
Fund balances (deficits), end of year	<u>\$ (104,972)</u>	<u>\$ 88,202</u>	<u>\$ 193,174</u>

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 69,134	\$ 69,134	\$	\$ 788	\$ 788
	69,134	69,134		788	788
55,000	17,714	37,286			
40,219	9,341	30,878			
20,000	3,089	16,911	6,000	22	5,978
35,000	14,353	20,647			
15,000	695	14,305			
15,000	5,352	9,648			
180,219	50,544	129,675	6,000	22	5,978
(180,219)	18,590	198,809	(6,000)	766	6,766
(180,219)	18,590	198,809	(6,000)	766	6,766
	122,929	122,929		(26)	(26)
\$ (180,219)	\$ 141,519	\$ 321,738	\$ (6,000)	\$ 740	\$ 6,740

(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, 2018

	School Opening		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 51	\$ 51
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>51</u>	<u>51</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>51</u>	<u>51</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		<u>51</u>	<u>51</u>
Fund balances (deficits), beginning of year		2,996	2,996
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 3,047</u>	<u>\$ 3,047</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 100	\$ 100	\$	\$ 2,754	\$ 2,754
	100	100		2,754	2,754
			2,257	145	2,112
			18,000	2,983	15,017
1,000	1,772	(772)			
37,000	36,610	390			
38,000	38,382	(382)	20,257	3,128	17,129
(38,000)	(38,282)	(282)	(20,257)	(374)	19,883
	49,668	49,668			
	49,668	49,668			
(38,000)	11,386	49,386	(20,257)	(374)	19,883
	7,550	7,550		17,094	17,094
\$ (38,000)	\$ 18,936	\$ 56,936	\$ (20,257)	\$ 16,720	\$ 36,977

(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, 2018

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,582	\$ 1,582
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,582</u>	<u>1,582</u>
Expenditures:			
Current -			
Instruction	53,000		53,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>53,000</u>		<u>53,000</u>
Excess (deficiency) of revenues over expenditures	<u>(53,000)</u>	<u>1,582</u>	<u>54,582</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(53,000)</u>	<u>1,582</u>	<u>54,582</u>
Fund balances (deficits), beginning of year		56,917	56,917
Fund balances (deficits), end of year	<u>\$ (53,000)</u>	<u>\$ 58,499</u>	<u>\$ 111,499</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,505	\$ 8,505	\$	\$ 259	\$ 259
	8,505	8,505		259	259
40,000	20,035	19,965	10,000		10,000
216,653	146,827	69,826			
360,000	313,041	46,959			
616,653	479,903	136,750	10,000		10,000
(616,653)	(471,398)	145,255	(10,000)	259	10,259
	492,574	492,574			
	492,574	492,574			
(616,653)	21,176	637,829	(10,000)	259	10,259
	868,517	868,517		15,244	15,244
\$ (616,653)	\$ 889,693	\$ 1,506,346	\$ (10,000)	\$ 15,503	\$ 25,503

(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, 2018

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 16	\$ 16
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		16	16
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		16	16
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		16	16
Fund balances (deficits), beginning of year		904	904
Fund balances (deficits), end of year	\$	\$ 920	\$ 920

Intergovernmental Agreements			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 192,524	\$ 192,524	\$	\$ 1,125,678	\$ 1,125,678
				339,583	339,583
				6,828,929	6,828,929
	192,524	192,524		8,294,190	8,294,190
38,000	37,634	366	2,169,470	1,715,927	453,543
700	30,591	(29,891)	1,948,467	1,352,541	595,926
71,000	70,077	923	1,079,739	882,730	197,009
			261,953	121,392	140,561
			269,909	132,156	137,753
			4,353,137	4,304,373	48,764
			353,322	256,141	97,181
109,700	138,302	(28,602)	10,435,997	8,765,260	1,670,737
(109,700)	54,222	163,922	(10,435,997)	(471,070)	9,964,927
				492,574	492,574
				(492,574)	(492,574)
				49,668	49,668
				49,668	49,668
(109,700)	54,222	163,922	(10,435,997)	(421,402)	10,014,595
	110,438	110,438		4,952,087	4,952,087
\$ (109,700)	\$ 164,660	\$ 274,360	\$ (10,435,997)	\$ 4,530,685	\$ 14,966,682

(This page intentionally left blank)

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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 19,754	\$ 19,754
Property taxes		2,406,072	2,406,072
Federal aid, grants and reimbursements		233,724	233,724
Total revenues		<u>2,659,550</u>	<u>2,659,550</u>
Expenditures:			
Debt service -			
Principal retirement	1,575,000	1,575,000	
Interest and fiscal charges	923,408	901,558	21,850
Total expenditures	<u>2,498,408</u>	<u>2,476,558</u>	<u>21,850</u>
Excess (deficiency) of revenues over expenditures	<u>(2,498,408)</u>	<u>182,992</u>	<u>2,681,400</u>
Other financing sources (uses):			
Transfers in		7,601	7,601
Total other financing sources (uses)		<u>7,601</u>	<u>7,601</u>
Changes in fund balances	<u>(2,498,408)</u>	<u>190,593</u>	<u>2,689,001</u>
Fund balances, beginning of year		518,713	518,713
Fund balances (deficits), end of year	<u>\$ (2,498,408)</u>	<u>\$ 709,306</u>	<u>\$ 3,207,714</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.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

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, 2018

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 942,479	\$ 730,401	\$ 31,598
Cash and investments - restricted			759,539
Property taxes receivable	73,838		
Accounts receivable			28,625
Total assets	<u><u>\$ 1,016,317</u></u>	<u><u>\$ 730,401</u></u>	<u><u>\$ 819,762</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>\$ 73,838</u>	<u>\$</u>	<u>\$</u>
Fund balances:			
Restricted	<u>942,479</u>	<u>730,401</u>	<u>819,762</u>
Total fund balances	<u><u>942,479</u></u>	<u><u>730,401</u></u>	<u><u>819,762</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,016,317</u></u>	<u><u>\$ 730,401</u></u>	<u><u>\$ 819,762</u></u>

<u>Emergency Deficiencies Correction</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 1,998	\$ 9,089	\$ 1,715,565
		759,539
		73,838
		28,625
<u>\$ 1,998</u>	<u>\$ 9,089</u>	<u>\$ 2,577,567</u>

<u>\$</u>	<u>\$</u>	<u>\$ 73,838</u>
-----------	-----------	------------------

<u>1,998</u>	<u>9,089</u>	<u>2,503,729</u>
<u>1,998</u>	<u>9,089</u>	<u>2,503,729</u>

<u>\$ 1,998</u>	<u>\$ 9,089</u>	<u>\$ 2,577,567</u>
-----------------	-----------------	---------------------

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, 2018

	Adjacent Ways	Gifts and Donations - Capital	Energy and Water Savings
Revenues:			
Other local	\$ 3,447	\$ 139,960	\$ 61,661
Property taxes	605,981		
State aid and grants			
Total revenues	<u>609,428</u>	<u>139,960</u>	<u>61,661</u>
Expenditures:			
Capital outlay	<u>51,907</u>		<u>1,261,899</u>
Total expenditures	<u>51,907</u>		<u>1,261,899</u>
Excess (deficiency) of revenues over expenditures	<u>557,521</u>	<u>139,960</u>	<u>(1,200,238)</u>
Other financing sources (uses):			
Capital lease agreements			<u>2,020,000</u>
Total other financing sources (uses)			<u>2,020,000</u>
Changes in fund balances	<u>557,521</u>	<u>139,960</u>	<u>819,762</u>
Fund balances, beginning of year	384,958	590,441	
Fund balances, end of year	<u>\$ 942,479</u>	<u>\$ 730,401</u>	<u>\$ 819,762</u>

Emergency Deficiencies Correction	Building Renewal Grant	Totals
\$ 21	\$ 85	\$ 205,174
		605,981
	5,080	5,080
<u>21</u>	<u>5,165</u>	<u>816,235</u>
	7,324	1,321,130
	<u>7,324</u>	<u>1,321,130</u>
<u>21</u>	<u>(2,159)</u>	<u>(504,895)</u>
		2,020,000
		<u>2,020,000</u>
<u>21</u>	<u>(2,159)</u>	<u>1,515,105</u>
1,977	11,248	988,624
<u>\$ 1,998</u>	<u>\$ 9,089</u>	<u>\$ 2,503,729</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, 2018

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 439	\$ 439
Property taxes		3,196,758	3,196,758
State aid and grants			
Total revenues		<u>3,197,197</u>	<u>3,197,197</u>
Expenditures:			
Capital outlay	3,245,411	2,583,614	661,797
Debt service -			
Principal retirement	110,912	110,912	
Interest and fiscal charges	26,005	26,005	
Bond issuance costs			
Total expenditures	<u>3,382,328</u>	<u>2,720,531</u>	<u>661,797</u>
Excess (deficiency) of revenues over expenditures	<u>(3,382,328)</u>	<u>476,666</u>	<u>3,858,994</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,382,328)</u>	<u>476,666</u>	<u>3,858,994</u>
Fund balances, beginning of year		210,670	210,670
Fund balances (deficits), end of year	<u>\$ (3,382,328)</u>	<u>\$ 687,336</u>	<u>\$ 4,069,664</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,447 605,981	\$ 3,447 605,981	\$	\$ 7,601	\$ 7,601
	<u>609,428</u>	<u>609,428</u>		<u>7,601</u>	<u>7,601</u>
650,000	51,907	598,093	6,103,648	2,328,789	3,774,859
<u>650,000</u>	<u>51,907</u>	<u>598,093</u>	<u>6,103,648</u>	<u>61,558</u> <u>2,390,347</u>	<u>(61,558)</u> <u>3,713,301</u>
<u>(650,000)</u>	<u>557,521</u>	<u>1,207,521</u>	<u>(6,103,648)</u>	<u>(2,382,746)</u>	<u>3,720,902</u>
				(7,601) 3,750,000	(7,601) 3,750,000
				<u>3,742,399</u>	<u>3,742,399</u>
<u>(650,000)</u>	<u>557,521</u>	<u>1,207,521</u>	<u>(6,103,648)</u>	<u>1,359,653</u>	<u>7,463,301</u>
	384,958	384,958		2,352,603	2,352,603
<u>\$ (650,000)</u>	<u>\$ 942,479</u>	<u>\$ 1,592,479</u>	<u>\$ (6,103,648)</u>	<u>\$ 3,712,256</u>	<u>\$ 9,815,904</u>

(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, 2018

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 139,960	\$ 139,960
Property taxes			
State aid and grants			
Total revenues		<u>139,960</u>	<u>139,960</u>
Expenditures:			
Capital outlay	716,495		716,495
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>716,495</u>		<u>716,495</u>
Excess (deficiency) of revenues over expenditures	<u>(716,495)</u>	<u>139,960</u>	<u>856,455</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(716,495)</u>	<u>139,960</u>	<u>856,455</u>
Fund balances, beginning of year		590,441	590,441
Fund balances (deficits), end of year	<u>\$ (716,495)</u>	<u>\$ 730,401</u>	<u>\$ 1,446,896</u>

Energy and Water Savings			Emergency Deficiencies Correction		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 60,223	\$ 60,223	\$	\$ 21	\$ 21
	60,223	60,223		21	21
	60,223	60,223		21	21
	60,223	60,223		21	21
				1,977	1,977
\$	\$ 60,223	\$ 60,223	\$	\$ 1,998	\$ 1,998

(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, 2018

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 85	\$ 85
Property taxes			
State aid and grants		5,080	5,080
Total revenues		<u>5,165</u>	<u>5,165</u>
Expenditures:			
Capital outlay	253,653	7,324	246,329
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>253,653</u>	<u>7,324</u>	<u>246,329</u>
Excess (deficiency) of revenues over expenditures	<u>(253,653)</u>	<u>(2,159)</u>	<u>251,494</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(253,653)</u>	<u>(2,159)</u>	<u>251,494</u>
Fund balances, beginning of year		11,248	11,248
Fund balances (deficits), end of year	<u>\$ (253,653)</u>	<u>\$ 9,089</u>	<u>\$ 262,742</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 211,776	\$ 211,776
	3,802,739	3,802,739
	5,080	5,080
	<u>4,019,595</u>	<u>4,019,595</u>
10,969,207	4,971,634	5,997,573
110,912	110,912	
26,005	26,005	
	61,558	(61,558)
<u>11,106,124</u>	<u>5,170,109</u>	<u>5,936,015</u>
<u>(11,106,124)</u>	<u>(1,150,514)</u>	<u>9,955,610</u>
	(7,601)	(7,601)
	3,750,000	3,750,000
	<u>3,742,399</u>	<u>3,742,399</u>
<u>(11,106,124)</u>	<u>2,591,885</u>	<u>13,698,009</u>
	3,551,897	3,551,897
<u>\$ (11,106,124)</u>	<u>\$ 6,143,782</u>	<u>\$ 17,249,906</u>

(This page intentionally left blank)

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.

(This page intentionally left blank)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash	\$ <u>42,566</u>	\$ <u>36,290</u>	\$ <u>34,247</u>	\$ <u>44,609</u>
Total assets	\$ <u><u>42,566</u></u>	\$ <u><u>36,290</u></u>	\$ <u><u>34,247</u></u>	\$ <u><u>44,609</u></u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 1,956	\$	\$ 1,956
Due to student groups	<u>42,566</u>	<u>34,334</u>	<u>34,247</u>	<u>42,653</u>
Total liabilities	\$ <u><u>42,566</u></u>	\$ <u><u>36,290</u></u>	\$ <u><u>34,247</u></u>	\$ <u><u>44,609</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash	\$ <u>42,566</u>	\$ <u>36,290</u>	\$ <u>34,247</u>	\$ <u>44,609</u>
Total assets	\$ <u><u>42,566</u></u>	\$ <u><u>36,290</u></u>	\$ <u><u>34,247</u></u>	\$ <u><u>44,609</u></u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 1,956	\$	\$ 1,956
Due to student groups	<u>42,566</u>	<u>34,334</u>	<u>34,247</u>	<u>42,653</u>
Total liabilities	\$ <u><u>42,566</u></u>	\$ <u><u>36,290</u></u>	\$ <u><u>34,247</u></u>	\$ <u><u>44,609</u></u>

(This page intentionally left blank)

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.

(This page intentionally left blank)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 54,284,981	\$ 55,002,861	\$ 53,316,103	\$ 54,510,270	\$ 54,642,657
Restricted	8,465,090	5,821,136	7,095,095	6,484,625	6,437,446
Unrestricted	(29,328,719)	(30,960,414)	(30,772,236)	(30,368,781)	6,445,823
Total net position	<u>\$ 33,421,352</u>	<u>\$ 29,863,583</u>	<u>\$ 29,638,962</u>	<u>\$ 30,626,114</u>	<u>\$ 67,525,926</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 54,943,512	\$ 55,256,201	\$ 55,214,369	\$ 51,517,384	\$ 50,763,428
Restricted	4,780,727	6,093,331	8,176,072	6,415,893	5,554,379
Unrestricted	5,852,856	4,972,943	6,165,272	8,049,268	6,508,051
Total net position	<u>\$ 65,577,095</u>	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</u>	<u>\$ 65,982,545</u>	<u>\$ 62,825,858</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)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 23,382,170	\$ 23,799,099	\$ 24,800,192	\$ 25,085,857	\$ 22,603,709
Support services - students and staff	6,388,519	6,436,126	6,576,747	6,629,917	6,344,537
Support services - administration	5,022,793	5,347,981	4,867,489	4,865,915	4,211,655
Operation and maintenance of plant services	3,786,287	3,797,582	3,555,273	3,973,182	4,016,325
Student transportation services	1,893,209	1,767,152	1,854,233	1,908,702	1,798,976
Operation of non-instructional services	4,654,832	4,708,568	3,649,787	3,781,271	3,655,958
Interest on long-term debt	893,913	878,066	963,926	601,005	822,268
Total expenses	<u>46,021,723</u>	<u>46,734,574</u>	<u>46,267,647</u>	<u>46,845,849</u>	<u>43,453,428</u>
Program Revenues					
Charges for services:					
Instruction	147,972	266,007	308,993	325,380	204,209
Operation of non-instructional services	546,913	456,641	335,439	350,253	397,405
Other activities	257,972	182,132	293,180	210,385	239,786
Operating grants and contributions	7,081,956	7,054,231	7,108,886	6,919,745	8,357,119
Capital grants and contributions	402,609	735,730	165,115	229,493	322,790
Total program revenues	<u>8,437,422</u>	<u>8,694,741</u>	<u>8,211,613</u>	<u>8,035,256</u>	<u>9,521,309</u>
Net (Expense)/Revenue	<u>\$ (37,584,301)</u>	<u>\$ (38,039,833)</u>	<u>\$ (38,056,034)</u>	<u>\$ (38,810,593)</u>	<u>\$ (33,932,119)</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 20,339,637	\$ 21,048,410	\$ 19,716,894	\$ 23,204,700	\$ 25,848,457
Support services - students and staff	5,346,160	4,722,586	4,284,328	4,351,556	4,910,946
Support services - administration	4,201,845	4,009,757	3,306,402	3,712,449	3,840,626
Operation and maintenance of plant services	3,095,103	3,070,856	3,363,703	3,532,952	3,423,325
Student transportation services	1,680,250	1,537,027	1,413,880	1,055,660	1,565,093
Operation of non-instructional services	3,139,568	3,099,530	3,095,289	2,936,076	2,780,839
Interest on long-term debt	780,290	856,210	891,287	765,864	960,599
Total expenses	<u>38,582,853</u>	<u>38,344,376</u>	<u>36,071,783</u>	<u>39,559,257</u>	<u>43,329,885</u>
Program Revenues					
Charges for services:					
Instruction	261,054	467,777	114,412	237,127	396,264
Operation of non-instructional services	294,392	303,192	409,644	381,389	473,378
Other activities	223,583	134,918	155,462	87,495	56,365
Operating grants and contributions	5,852,233	5,661,056	5,423,342	5,929,433	5,824,208
Capital grants and contributions	226,356	175,301	3,694,346	281,127	114,245
Total program revenues	<u>6,857,618</u>	<u>6,742,244</u>	<u>9,797,206</u>	<u>6,916,571</u>	<u>6,864,460</u>
Net (Expense)/Revenue	<u>\$ (31,725,235)</u>	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>	<u>\$ (32,642,686)</u>	<u>\$ (36,465,425)</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)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (37,584,301)	\$ (38,039,833)	\$ (38,056,034)	\$ (38,810,593)	\$ (33,932,119)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,467,740	7,732,091	7,108,266	10,391,205	9,609,885
Property taxes, levied for debt service	2,386,442	2,485,058	1,998,249	1,934,012	1,985,130
Property taxes, levied for capital outlay	593,809	2,616,794	3,234,647	391,958	442,848
Investment income	100,413	55,858	82,812	35,223	34,573
Unrestricted county aid	2,469,462	2,224,802	2,094,375	2,079,064	2,006,377
Unrestricted state aid	24,934,749	22,838,761	22,281,981	22,493,033	21,689,531
Unrestricted federal aid	183,259	311,090	268,552	179,069	112,606
Total general revenues	<u>41,135,874</u>	<u>38,264,454</u>	<u>37,068,882</u>	<u>37,503,564</u>	<u>35,880,950</u>
Changes in Net Position	<u>\$ 3,551,573</u>	<u>\$ 224,621</u>	<u>\$ (987,152)</u>	<u>\$ (1,307,029)</u>	<u>\$ 1,948,831</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (31,725,235)	\$ (31,602,132)	\$ (26,274,577)	\$ (32,642,686)	\$ (36,465,425)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,365,772	6,223,517	7,475,059	9,027,112	6,807,742
Property taxes, levied for debt service	1,187,785	3,077,036	2,967,448	1,598,734	2,461,356
Property taxes, levied for capital outlay	377,890		115,017	2,632,358	3,486,758
Investment income	53,547	73,013	188,897	244,826	428,438
Unrestricted county aid	1,813,870	1,751,852	1,746,005	1,721,324	
Unrestricted state aid	19,031,022	17,243,476	17,151,308	18,144,761	18,752,175
Unrestricted federal aid	149,969		204,011	2,430,258	
Total general revenues	<u>30,979,855</u>	<u>28,368,894</u>	<u>29,847,745</u>	<u>35,799,373</u>	<u>31,936,469</u>
Changes in Net Position	<u>\$ (745,380)</u>	<u>\$ (3,233,238)</u>	<u>\$ 3,573,168</u>	<u>\$ 3,156,687</u>	<u>\$ (4,528,956)</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 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 50,193	\$ 57,700	\$	\$	\$ 920,922
Restricted	687,336	210,670	1,714,999	1,162,140	1,308,714
Unassigned	5,339,294	5,080,428	5,300,808	4,711,102	4,062,338
Total General Fund	<u>\$ 6,076,823</u>	<u>\$ 5,348,798</u>	<u>\$ 7,015,807</u>	<u>\$ 5,873,242</u>	<u>\$ 6,291,974</u>
All Other Governmental Funds:					
Restricted	11,278,181	7,719,313	5,156,526	16,933,303	4,916,359
Unassigned	(101,428)	(26)		(70,617)	
Total all other governmental funds	<u>\$ 11,176,753</u>	<u>\$ 7,719,287</u>	<u>\$ 5,156,526</u>	<u>\$ 16,862,686</u>	<u>\$ 4,916,359</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 684,953	\$ 526,787	\$ 465,501	\$	\$
Restricted	1,264,153	1,379,702	1,854,699		
Unassigned	3,424,126	2,735,611	5,519,707		
Reserved				300,438	117,319
Unreserved				542,991	(1,997,016)
Total General Fund	<u>\$ 5,373,232</u>	<u>\$ 4,642,100</u>	<u>\$ 7,839,907</u>	<u>\$ 843,429</u>	<u>\$ (1,879,697)</u>
All Other Governmental Funds:					
Restricted	\$ 5,101,835	\$ 6,706,992	\$ 10,512,185	\$	\$
Reserved				86,360	71,598
Unreserved, reported in:					
Special revenue funds				5,233,948	4,889,622
Capital projects funds				7,289,834	8,759,033
Debt service fund				(21,095)	975,103
Total all other governmental funds	<u>\$ 5,101,835</u>	<u>\$ 6,706,992</u>	<u>\$ 10,512,185</u>	<u>\$ 12,589,047</u>	<u>\$ 14,695,356</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 2,869,395	\$ 3,538,301	\$ 3,341,620	\$ 3,308,088	\$ 4,013,021
National School Lunch Program	4,193,258	4,176,317	3,825,325	4,075,811	4,172,939
Total federal sources	<u>7,062,653</u>	<u>7,714,618</u>	<u>7,166,945</u>	<u>7,383,899</u>	<u>8,185,960</u>
State sources:					
State equalization assistance	22,073,027	20,645,967	20,085,240	20,419,340	19,830,849
State grants	106,399	34,771	13,503	27,214	411,618
School Facilities Board	5,080	266,436			
Other revenues	2,861,722	2,192,794	2,196,741	2,073,693	1,858,682
Total state sources	<u>25,046,228</u>	<u>23,139,968</u>	<u>22,295,484</u>	<u>22,520,247</u>	<u>22,101,149</u>
Local sources:					
Property taxes	13,475,453	12,917,411	12,475,137	12,709,520	12,078,963
County aid	2,469,462	2,224,802	2,094,375	2,079,064	2,006,377
Food service sales	535,267	456,641	334,114	350,253	397,405
Investment income	100,413	55,858	82,812	35,223	34,573
Other revenues	781,476	734,441	642,209	581,634	484,191
Total local sources	<u>17,362,071</u>	<u>16,389,153</u>	<u>15,628,647</u>	<u>15,755,694</u>	<u>15,001,509</u>
Total revenues	<u><u>\$ 49,470,952</u></u>	<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>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 2,676,154	\$ 2,034,522	\$ 2,202,140	\$ 5,661,652	\$ 3,175,703
State Fiscal Stabilization (ARRA)			204,011		
Education Jobs		490,743	386,264		
National School Lunch Program	3,376,771	3,214,406	2,905,043	2,759,932	2,245,104
Total federal sources	<u>6,052,925</u>	<u>5,739,671</u>	<u>5,697,458</u>	<u>8,421,584</u>	<u>5,420,807</u>
State sources:					
State equalization assistance	17,446,854	15,837,044	16,057,077	19,047,479	14,729,736
State grants	72,840	42,954		73,415	676,634
School Facilities Board	54,924				1,115,393
Other revenues	1,584,168	1,406,432	1,132,780	1,604,590	1,561,125
Total state sources	<u>19,158,786</u>	<u>17,286,430</u>	<u>17,189,857</u>	<u>20,725,484</u>	<u>18,082,888</u>
Local sources:					
Property taxes	9,884,176	9,436,658	10,723,581	12,883,612	12,456,705
County aid	1,813,870	1,757,857	1,786,926	1,721,324	
Food service sales	294,392	303,192	320,478	324,629	407,189
Investment income	53,547	73,013	123,836	241,924	415,596
Other revenues	532,506	696,984	435,426	385,581	601,168
Total local sources	<u>12,578,491</u>	<u>12,267,704</u>	<u>13,390,247</u>	<u>15,557,070</u>	<u>13,880,658</u>
Total revenues	<u><u>\$ 37,790,202</u></u>	<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>

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 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 21,322,962	\$ 20,676,769	\$ 20,234,887	\$ 20,172,488	\$ 19,476,377
Support services - students and staff	6,510,832	6,154,941	5,952,268	6,155,479	5,960,392
Support services - administration	4,578,367	4,887,361	4,190,570	4,312,939	3,796,371
Operation and maintenance of plant services	3,537,682	3,590,342	3,181,678	3,663,224	3,749,721
Student transportation services	1,450,378	1,436,582	1,278,064	1,456,182	1,390,443
Operation of non-instructional services	4,532,694	4,602,476	3,527,579	3,692,960	3,572,384
Capital outlay	6,489,674	4,809,375	14,652,734	3,634,072	4,424,509
Debt service -					
Interest and fiscal charges	927,563	930,886	1,016,745	631,050	699,503
Principal retirement	1,685,912	1,692,727	1,620,146	1,538,125	1,721,621
Bond issuance costs	61,558	46,000		224,741	
Total expenditures	<u>\$ 51,097,622</u>	<u>\$ 48,827,459</u>	<u>\$ 55,654,671</u>	<u>\$ 45,481,260</u>	<u>\$ 44,791,321</u>
Expenditures for capitalized assets	\$ 4,974,159	\$ 2,968,092	\$ 10,920,526	\$ 1,074,517	\$ 1,888,133
Debt service as a percentage of noncapital expenditures	6%	6%	6%	5%	6%

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 17,877,491	\$ 18,795,718	\$ 17,388,184	\$ 20,828,087	\$ 19,269,450
Support services - students and staff	5,099,526	4,506,786	3,963,924	4,176,708	4,638,812
Support services - administration	3,894,780	3,754,249	3,082,871	3,449,785	3,376,043
Operation and maintenance of plant services	2,785,540	2,811,318	2,776,284	3,313,758	3,183,875
Student transportation services	1,376,310	1,248,118	1,106,115	1,050,557	993,723
Operation of non-instructional services	3,081,107	3,036,608	2,966,207	2,833,818	2,690,382
Capital outlay	1,971,751	5,529,938	4,784,496	6,842,115	7,485,608
Debt service -					
Interest and fiscal charges	780,290	856,210	771,960	765,864	960,599
Principal retirement	1,955,598	1,819,146	2,160,601	1,962,548	1,994,471
Bond issuance costs			253,511		
Total expenditures	<u>\$ 38,822,393</u>	<u>\$ 42,358,091</u>	<u>\$ 39,254,153</u>	<u>\$ 45,223,240</u>	<u>\$ 44,592,963</u>
Expenditures for capitalized assets	\$ 586,460	\$ 3,795,463	\$ 3,203,436	\$ 5,996,816	\$ 3,864,201
Debt service as a percentage of noncapital expenditures	7%	7%	8%	7%	7%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (1,626,670)	\$ (1,583,720)	\$ (10,563,595)	\$ 178,580	\$ 497,297
Other financing sources (uses):					
General obligation bonds issued		2,390,000		11,860,000	
Premium on sale of bonds				409,937	
Capital lease agreements	2,020,000				
Transfers in	500,175	454,979	470,050	668,099	385,312
Transfers out	(500,175)	(454,979)	(470,050)	(668,099)	(385,312)
Insurance recoveries	49,668	31,772			
Issuance of school improvement bonds	3,750,000				
Total other financing sources (uses)	<u>5,819,668</u>	<u>2,421,772</u>	<u></u>	<u>12,269,937</u>	<u></u>
Changes in fund balances	<u>\$ 4,192,998</u>	<u>\$ 838,052</u>	<u>\$ (10,563,595)</u>	<u>\$ 12,448,517</u>	<u>\$ 497,297</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (1,032,191)	\$ (7,064,286)	\$ (2,976,591)	\$ (519,102)	\$ (7,208,610)
Other financing sources (uses):					
General obligation bonds issued			7,600,000		
Premium on sale of bonds			134,184		
Capital lease agreements				938,038	128,951
Transfers in	623,660	295,814	399,844	464,537	598,950
Transfers out	(623,660)	(295,814)	(399,844)	(464,537)	(598,950)
Insurance recoveries					
Issuance of school improvement bonds					
Total other financing sources (uses)	<u></u>	<u></u>	<u>7,734,184</u>	<u>938,038</u>	<u>128,951</u>
Changes in fund balances	<u>\$ (1,032,191)</u>	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</u>	<u>\$ 418,936</u>	<u>\$ (7,079,659)</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 91,170,396	\$ 86,685,736	\$ 88,769,446	\$ 90,115,979	\$ 91,009,297
Agricultural and Vacant	12,111,514	12,658,186	13,257,222	13,568,834	15,870,849
Residential (Owner Occupied)	82,853,013	72,812,666	66,423,404	62,150,024	58,080,439
Residential (Rental)	44,942,993	44,055,914	43,486,628	40,972,735	36,060,869
Railroad, Private Cars and Airlines	831,381	653,099	707,976	751,882	674,906
Historical Property			23,155	26,820	28,598
Total	<u>\$ 231,909,297</u>	<u>\$ 216,865,601</u>	<u>\$ 212,667,831</u>	<u>\$ 207,640,486</u>	<u>\$ 201,724,958</u>
Gross Full Cash Value	\$ 2,965,326,105	\$ 2,729,351,774	\$ 2,448,365,106	\$ 2,026,208,346	\$ 1,818,863,601
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	9%	10%	11%
Total Direct Rate	5.88	5.97	5.93	5.90	5.98

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 107,253,601	\$ 117,516,790	\$ 67,029,557	\$ 117,441,892	\$ 104,583,295
Agricultural and Vacant	17,831,961	22,653,450	33,444,404	38,766,995	36,309,781
Residential (Owner Occupied)	70,918,078	79,484,285	104,331,449	145,273,311	135,754,466
Residential (Rental)	31,103,815	31,952,378	37,951,808	40,343,452	32,612,487
Railroad, Private Cars and Airlines	629,897	519,588	498,021	512,993	589,408
Total	<u>\$ 227,769,766</u>	<u>\$ 252,163,627</u>	<u>\$ 243,255,239</u>	<u>\$ 342,338,643</u>	<u>\$ 309,849,437</u>
Gross Full Cash Value	\$ 1,968,364,551	\$ 2,153,625,406	\$ 2,686,378,396	\$ 3,249,300,415	\$ 3,423,609,778
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	12%	9%	11%	9%
Total Direct Rate	4.38	3.80	3.47	3.77	3.77

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 118,188,274	\$ 112,013,804	\$ 102,727,234	\$ 92,418,862	\$ 91,848,309
Agricultural and Vacant	18,337,984	19,039,422	16,371,305	14,516,444	16,597,784
Residential (Owner Occupied)	117,126,150	102,125,338	91,097,821	69,217,449	58,127,943
Residential (Rental)	64,303,840	60,867,572	58,786,878	45,525,827	36,827,465
Railroad, Private Cars and Airlines	970,916	699,273	721,525	758,920	681,266
Historical Property			92,620	101,916	111,531
Total	\$ 318,927,164	\$ 294,745,409	\$ 269,797,383	\$ 222,598,992	\$ 204,194,298
Gross Full Cash Value	\$ 2,965,326,105	2,729,351,774	2,448,365,106	2,026,208,346	1,818,863,601
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	2,965,326,105	2,307,734,253	2,081,962,044	1,664,704,689	1,469,587,053
Total Direct Rate	5.88	5.97	5.93	5.90	5.98

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 91,867,336	\$ 74,377,964	\$ 68,170,222	\$ 60,111,223	\$ 46,337,454
Agricultural and Vacant	18,146,283	23,464,063	39,828,347	56,114,696	57,062,216
Residential (Owner Occupied)	70,948,949	79,542,254	104,686,686	150,329,796	184,544,411
Residential (Rental)	31,109,955	31,962,749	38,183,041	42,064,668	43,927,311
Railroad, Private Cars and Airlines	641,785	579,194	593,515	604,151	663,801
Total	\$ 229,140,680	\$ 254,814,338	\$ 324,568,139	\$ 389,531,143	\$ 408,800,218
Gross Full Cash Value	\$ 1,968,364,551	2,153,625,406	2,686,378,396	3,249,300,415	3,423,609,778
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	1,622,044,631	1,804,723,276	2,287,784,839	2,835,784,603	3,102,842,680
Total Direct Rate	4.38	3.80	3.47	3.77	3.77

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>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

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		Community	Flood	Water			Tolleson Union			
	Equalization	County	College	Control	Conservation	City of	City of	High School	Primary	Secondary	Total
			District	District	District	Avondale	Tolleson	District No. 214			
2018	0.49	1.40	1.41	0.18	0.14	1.60	3.99	3.94	2.42	3.46	5.88
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

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	2018			2009	
	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
Smith's Food & Drug Centers, Inc.	\$ 10,747,347	4.63 %		\$ 20,685,292	5.06 %
Arizona Public Service Company	7,415,525	3.20		4,006,243	0.98
J & J Coldwater LLC	7,184,868	3.10			
SVC Manufacturing, Inc.	6,922,559	2.99		16,924,330	4.14
Phoenix Speedway Corp	4,895,134	2.11			
AZEJM Land Holdings/Oxnard Commerceplex LLC	3,969,968	1.71			
Avondale Commerce LLC	3,257,132	1.40			
Mechanic (AZ) QRD 15-41, Inc.	3,102,568	1.34		5,150,884	1.26
Crystal Springs Apartments LLC	3,005,300	1.30			
MCRT2 Avondale LLC	2,500,470	1.08			
Graham Packaging Pet Tech Inc.				8,216,885	2.01
Phoenix International Raceway				7,603,685	1.86
Taylor Woodrow Inc.				4,578,563	1.12
Richmond American Homes of AZ Inc.				4,210,643	1.03
May-Brownward Investment Co.				3,720,083	0.91
McKesson Corporation				3,393,043	0.83
Total	<u>\$ 53,000,871</u>	<u>22.86 %</u>		<u>\$ 78,489,651</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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 13,692,709	\$ 13,264,299	96.87 %	\$	\$ 13,264,299	96.87 %
2017	12,252,638	11,856,051	96.76	393,571	12,249,622	99.98
2016	12,519,102	12,297,642	98.23	218,940	12,516,582	99.98
2015	12,761,428	12,344,821	96.74	413,401	12,758,222	99.97
2014	12,144,131	11,777,361	96.98	365,330	12,142,691	99.99
2013	9,944,964	9,564,004	96.17	379,654	9,943,658	99.99
2012	9,610,825	9,200,259	95.73	355,995	9,556,254	99.43
2011	11,045,280	10,498,742	95.05	545,876	11,044,618	99.99
2010	13,522,874	12,513,492	92.54	717,627	13,231,119	97.84
2009	13,179,902	12,282,024	93.19	829,425	13,111,449	99.48

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)			
2018	\$ 25,643,368	\$ 825,793	\$ 24,817,575	0.86 %	\$ 582	\$ 2,269,038	\$ 27,912,406	0.94 %	\$ 633	0.01 %	
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	6.75	372	727,569	16,092,569	7.07	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	

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	\$ 445,570,000	1.00 %	\$ 4,455,700
City of Avondale	21,290,000	0.01	2,064
City of Goodyear	81,305,000	0.02	16,218
City of Phoenix	1,201,405,000	0.31	3,681,421
City of Tolleson	22,448,871	0.01	1,592
Western Maricopa Education Center	138,655,000	0.37	507,682
Tolleson Union High School District No. 214	21,200,000	0.04	8,533
Subtotal, Overlapping Debt			<u>8,673,210</u>
Direct:			
Littleton Elementary School District No. 65			<u>27,912,406</u>
Total Direct and Overlapping Debt			<u><u>\$ 36,585,616</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	10.70	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 760	
As a Percentage of Net Limited Assessed Valuation	14.44	%
As a Percentage of Gross Full Cash Value	0.84	%

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 6/30/17.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 318,927,164
Debt limit (10% of assessed value)	31,892,716
Debt applicable to limit	<u>25,280,000</u>
Legal debt margin	<u><u>\$ 6,612,716</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 318,927,164
Debt limit (15% of assessed value)	47,839,075
Debt applicable to limit	<u>25,280,000</u>
Legal debt margin	<u><u>\$ 22,559,075</u></u>

Fiscal Year Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 47,839,075	\$ 44,211,811	\$ 40,469,607	\$ 33,389,849	\$ 30,629,145
Total net debt applicable to limit	<u>25,280,000</u>	<u>23,120,000</u>	<u>22,255,000</u>	<u>24,207,657</u>	<u>13,607,765</u>
Legal debt margin	<u><u>\$ 22,559,075</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	53%	52%	55%	73%	44%

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 34,371,102	\$ 38,222,151	\$ 48,685,221	\$ 58,429,671	\$ 61,320,033
Total net debt applicable to limit	<u>15,365,000</u>	<u>17,050,000</u>	<u>19,085,000</u>	<u>13,390,000</u>	<u>14,500,000</u>
Legal debt margin	<u><u>\$ 19,006,102</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	45%	45%	39%	23%	24%

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**

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2017	4,307,033	\$ 196,286,191	\$ 45,573	4.2 %	44,092
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

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 2008 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	2018			2009		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
State of Arizona	37,655	1.35	%	50,936	2.55	%
Wal-Mart Stores Inc.	33,814	1.21		32,814	1.64	
Banner Health Systems	36,213	1.30		23,100	1.16	
City of Phoenix	13,894	0.50		17,068	0.86	
Maricopa County	10,072	0.36		14,014	0.70	
Wells Fargo Company	15,062	0.54		14,000	0.70	
Arizona State University	13,480	0.48		13,005	0.65	
Dignity Health Arizona	11,206	0.40				
JP Morgan Chase & Co	10,200	0.37		7,950	0.40	
Bank of America	10,000	0.36				
Honeywell Aerospace				12,600	0.63	
U.S Postal Services				10,545	0.53	
Total	191,596	6.87	%	196,032	9.82	%
Total employment	2,792,500			1,995,000		

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

The source of the "Total employment" for 2018 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

		Full-time Equivalent Employees as of June 30				
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory						
Superintendent/principals		8	8	8	7	7
Assistant principals		7	6	6	10	11
Total supervisory		<u>15</u>	<u>14</u>	<u>14</u>	<u>17</u>	<u>18</u>
Instruction						
Teachers		332	325	293	297	289
Other professionals (instructional)		21	36	24	23	24
Aides		81	76	83	92	77
Total instruction		<u>434</u>	<u>437</u>	<u>400</u>	<u>412</u>	<u>390</u>
Support and Administration						
Managers		16	17	10	10	8
Other classified		146	148	93	114	110
Total support and administration		<u>162</u>	<u>165</u>	<u>103</u>	<u>124</u>	<u>118</u>
Total		<u><u>611</u></u>	<u><u>616</u></u>	<u><u>517</u></u>	<u><u>553</u></u>	<u><u>526</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Superintendent/principals	7	7	7	7	7
Assistant principals	11	10	10	10	10
Total supervisory	<u>18</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
Instruction					
Teachers	266	280	282	300	311
Other professionals (instructional)	21	12	12	12	14
Aides	81	86	65	66	55
Total instruction	<u>368</u>	<u>378</u>	<u>359</u>	<u>378</u>	<u>380</u>
Support and Administration					
Managers	10	7	7	6	5
Other classified	102	113	92	95	96
Total support and administration	<u>112</u>	<u>120</u>	<u>99</u>	<u>101</u>	<u>101</u>
Total	<u>498</u>	<u>515</u>	<u>475</u>	<u>496</u>	<u>498</u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2018	5,599	\$ 41,932,915	\$ 7,489	(2.81) %	\$ 46,021,723	\$ 8,220	(5.62) %	332	16.9	81.0 %
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

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

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

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

	Fiscal Year Ended June 30									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Schools</u>										
Elementary										
Buildings	28	27	25	25	25	25	25	25	25	22
Square feet	678,804	658,092	586,505	586,505	586,505	586,505	586,505	576,739	576,739	521,963
Capacity	8,260	7,882	7,261	7,261	7,261	7,261	7,261	7,261	7,261	6,386
Enrollment	6,113	5,903	5,607	5,607	5,623	5,079	4,860	4,817	4,742	4,909
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	2
Square feet	44,687	44,678	44,678	44,678	44,678	44,678	44,678	44,678	44,678	9,248
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	26	25	25	25	25	25	25	25	23	23

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

(This page intentionally left blank)