
LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

AVONDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:
Business and Finance Department

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

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INTRODUCTORY SECTION

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December 30, 2020

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, 2020.

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, 2020, 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, 2020, 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 STEM Academy (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 6,218.

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 ISM Raceway (formerly 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 2018 Estimate was 85,835.

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 6,218 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 steady 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 number of manufacturing and wholesale business located in the metropolitan area is approaching 3,000. This growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Amazon. 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 campus, 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 26 years.

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 of 2016 with classes starting July of 2016. The Fine Arts Academy opened its doors for students on July 27, 2016. The final phase of construction was complete in FY2018 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 6,218. Conservative estimates indicate that a three to four percent growth rate will continue for the next six to eight years. Voters approved a Bond initiative of \$22.7 million in the November 2017 election for the acquisition of land, construction of new and existing school facilities and for pupil transportation vehicles in anticipation of the expected growth. The District sold \$3.75 million of Bonds in May of 2018 and an additional \$2 million of Bonds in March of 2019 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, 2019. This was the 10th 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, 2019. 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 June 30, 2020 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

Ryan French
Chief Operations Officer



**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, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
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, 2019

Christopher P. Morill

Executive Director/CEO

COMMUNITY

GOVERNING BOARD

SUPERINTENDENT

2019-2020

Approved
5 / 14 / 2019

LEADERS

IN LEARNING, CARING, AND GROWING

CHIEF ACADEMIC
OFFICER

Executive Assistant

CHIEF OPERATIONS
OFFICER

Executive Director of
School Leadership

Executive Director of
School Support

Principals

Human Resources
Coordinator

Employment Supervisor

Social Workers

HR Projects & Wellness

Assistant Principals
Deans & Athletics

SAC & Career Teachers
Office Staff,
Student Services,
Custodians,
Paraprofessionals,
Health Professionals,
& Crossingguards

Director of Instructional
Technology
& Integration

Community Relations
/PIO

Technology Integration
Specialists

Data Projects

Technicians
Help Desk

Central Enrollment &
Welcome Center

Director of Facilities
& Operations

Transportation Coordinator

Public Relations
& Reception

Maintenance Lead
Skilled Trades

General Maintenance,
Lead Custodians,
& Groundskeepers

Mechanics,
Bus Drivers,
& Bus Monitors

Courier

Compensation & Benefits
Coordinator

Payroll Specialist

Sr. Warehouse
Receiving

Finance
Coordinator

Accounting Specialists

Accounts Payable, Buyer

Food Services & Food
Services Accounting

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

Curtis Nielson, President

John Raeder III, Member

Dr. Pearlette Ramos, Member

Kathy Reyes, Member

Amy Soucinek, Member

ADMINISTRATIVE STAFF

Roger S. Freeman, Ed.D., Superintendent

Ryan French, Chief Operations Officer

Dr. Lisa Kelley, Chief Academic Officer

Sue Chyzy, Executive Director of School Support

Kristen Vande Water, Executive Director of School Leadership

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Littleton Elementary School District No. 65

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Littleton Elementary School District No. 65 (District), as of and for the year ended June 30, 2020 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, 2020, 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. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, 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 solely 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 effectiveness of the Littleton Elementary School District No. 65's 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. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 30, 2020

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

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**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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, 2020. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$691,240 which represents a two percent decrease from the prior fiscal year.
- General revenues accounted for \$49.0 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$9.0 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$58.7 million in expenses related to governmental activities, an increase of 18 percent from the prior fiscal year, primarily due to an increase in salaries and pension expense compared to the prior year.
- Among major funds, the General Fund had \$42.7 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$43.6 million in expenditures. The General Fund's fund balance decreased from \$7.5 million at the prior fiscal year end to \$7.3 million at the end of the current fiscal year. General Fund revenues increased ten percent as a result of an increase in state aid while expenditures increased 15 percent as a result of additional expenditures and equipment in response to the COVID-19 pandemic.

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, 2020**

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 are reported as governmental 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, 2020**

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, Other Federal Projects, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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, Classroom Site Fund, and Other Federal Projects 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 \$37.7 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 20,442,556	\$ 22,996,661
Capital assets, net	84,261,241	78,770,571
Total assets	<u>104,703,797</u>	<u>101,767,232</u>
Deferred outflows	<u>5,785,254</u>	<u>5,413,855</u>
Current and other liabilities	2,603,468	1,661,811
Long-term liabilities	67,890,143	62,969,701
Total liabilities	<u>70,493,611</u>	<u>64,631,512</u>
Deferred inflows	<u>2,337,686</u>	<u>4,358,983</u>
Net position:		
Net investment in capital assets	56,313,462	54,663,649
Restricted	9,256,546	7,660,471
Unrestricted	(27,912,254)	(24,133,528)
Total net position	<u>\$ 37,657,754</u>	<u>\$ 38,190,592</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$27.9 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 \$1.8 million of bonds.
- The issuance of \$3.0 million in school improvement bonds.
- The net pension liability increased \$3.8 million.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

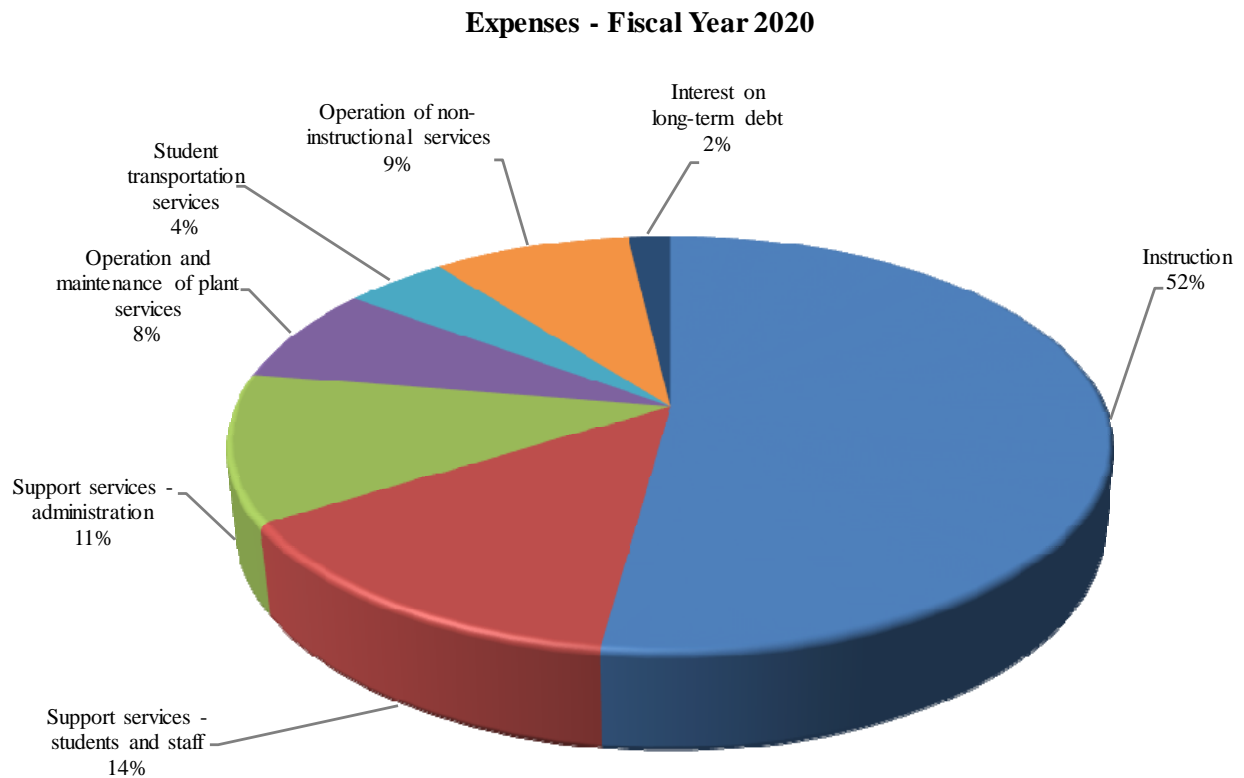
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The total revenues for the current fiscal year were \$58.0 million. The total cost of all programs and services was \$58.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,081,851	\$ 1,018,645
Operating grants and contributions	7,584,157	8,078,792
Capital grants and contributions	298,977	718,949
General revenues:		
Property taxes	14,638,903	13,772,243
Investment income	266,983	262,092
Unrestricted county aid	2,621,782	2,547,818
Unrestricted state aid	31,194,024	28,012,345
Unrestricted federal aid	310,628	174,919
Total revenues	<u>57,997,305</u>	<u>54,585,803</u>
Expenses:		
Instruction	30,572,464	25,459,688
Support services - students and staff	8,256,769	6,684,359
Support services - administration	6,701,801	5,613,793
Operation and maintenance of plant services	4,415,197	4,000,697
Student transportation services	2,643,820	2,100,998
Operation of non-instructional services	5,047,938	4,968,174
Interest on long-term debt	1,050,556	988,854
Total expenses	<u>58,688,545</u>	<u>49,816,563</u>
Changes in net position	<u>(691,240)</u>	<u>4,769,240</u>
Net position, beginning, as restated	<u>38,348,994</u>	<u>33,421,352</u>
Net position, ending	<u><u>\$ 37,657,754</u></u>	<u><u>\$ 38,190,592</u></u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- State aid revenues increased \$3.2 million due to a change in the funding formula by the State.
- The increase in instructional expenses of \$5.1 million was mostly due to an increase in salaries.
- Increases in support services for students and staff of \$1.6 million and support services for administration of \$1.1 million was due to spending on supplies and equipment in response to the COVID-19 pandemic.

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 30,572,464	\$ (28,706,720)	\$ 25,459,688	\$ (23,032,560)
Support services - students and staff	8,256,769	(7,203,103)	6,684,359	(5,617,766)
Support services - administration	6,701,801	(6,529,332)	5,613,793	(4,957,312)
Operation and maintenance of plant services	4,415,197	(3,882,462)	4,000,697	(3,523,525)
Student transportation services	2,643,820	(2,426,393)	2,100,998	(2,019,085)
Operation of non-instructional services	5,047,938	(137,572)	4,968,174	33,044
Interest on long-term debt	1,050,556	(837,978)	988,854	(882,973)
Total	<u>\$ 58,688,545</u>	<u>\$ (49,723,560)</u>	<u>\$ 49,816,563</u>	<u>\$ (40,000,177)</u>

- The cost of all governmental activities this year was \$58.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.0 million.
- Net cost of governmental activities of \$49.7 million was financed by general revenues, which are made up of primarily property taxes of \$14.6 million and state and county aid of \$33.8 million. Investment earnings accounted for \$266,983 of funding.

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 \$15.5 million, a decrease of \$3.2 million due primarily to the purchase of land.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 47 percent of the total fund balance. Approximately \$6.0 million, or 82 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$199,910 to \$7.3 million as of fiscal year end. The General Fund revenues increased ten percent while expenditures increased 15 percent as a result of additional supplies and equipment purchased in response to the COVID-19 pandemic.

Fund balance of the Classroom Site Fund increased \$88,543, which is insignificant.

Fund balance of the Other Federal Projects Fund decreased \$923,693 primarily due to expenditures incurred in response to the COVID-19 pandemic.

Fund balance of the Debt Service Fund decreased \$126,830 due to the retirement of bond principal.

Fund balance of the Adjacent Ways Fund increased \$804,249 due to beginning construction on a new school at the beginning of fiscal year 2021.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to budget balance carryover. The difference between the original budget and the final amended budget was a \$142,744 decrease, or less than one percent. Significant variances for the final amended budget and actual revenues resulted from the District no longer being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variance is summarized as follows:

- The favorable variance of \$1.0 million in instruction expenditures was a result of the virtual learning environment since March 2020 through the end of June 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$118.3 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 \$8.6 million from the prior fiscal year, primarily due to the acquisition of land and several buses. Total depreciation expense for the current fiscal year was \$3.1 million.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 14,395,883	\$ 7,903,012
Capital assets - depreciable, net	69,865,358	70,867,559
Total	<u>\$ 84,261,241</u>	<u>\$ 78,770,571</u>

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year-end, the District had \$28.9 million in long-term debt outstanding, \$2.1 million due within one year. Long-term debt increased by \$868,263 primarily due to the issuance of 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 \$60.8 million and the Class B debt limit is \$40.6 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 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$2,170,488).
- District student population (estimated 5,295).

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

Budgeted expenditures in the General Fund decreased one percent to \$38.7 million in fiscal year 2020-21 primarily due to expected decreases in total student attendance. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 budget.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,690,204
Property taxes receivable	264,935
Accounts receivable	13,000
Due from governmental entities	9,852,038
Prepaid items	390,028
Inventory	166,982
Deposits	65,369
Total current assets	<u>20,442,556</u>
Noncurrent assets:	
Capital assets not being depreciated	14,395,883
Capital assets, net of accumulated depreciation	69,865,358
Total noncurrent assets	<u>84,261,241</u>
Total assets	<u>104,703,797</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>5,785,254</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	391,456
Construction contracts payable	1,216,245
Accrued payroll and employee benefits	410,148
Compensated absences payable	150,000
Accrued interest payable	456,120
Unearned revenues	129,499
Obligations under capital leases	152,791
Bonds payable	1,910,000
Total current liabilities	<u>4,816,259</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	65,677,352
Total noncurrent liabilities	<u>65,677,352</u>
Total liabilities	<u>70,493,611</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>2,337,686</u>
<u>NET POSITION</u>	
Net investment in capital assets	56,313,462
Restricted	9,256,546
Unrestricted	(27,912,254)
Total net position	<u>\$ 37,657,754</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, 2020

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	\$ 30,572,464	\$ 399,096	\$ 1,167,671	\$ 298,977	\$ (28,706,720)
Support services - students and staff	8,256,769	72,773	980,893		(7,203,103)
Support services - administration	6,701,801	66,226	106,243		(6,529,332)
Operation and maintenance of plant services	4,415,197	71,136	461,599		(3,882,462)
Student transportation services	2,643,820		217,427		(2,426,393)
Operation of non-instructional services	5,047,938	472,620	4,437,746		(137,572)
Interest on long-term debt	1,050,556		212,578		(837,978)
Total governmental activities	<u>\$ 58,688,545</u>	<u>\$ 1,081,851</u>	<u>\$ 7,584,157</u>	<u>\$ 298,977</u>	<u>(49,723,560)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	11,369,376
Property taxes, levied for debt service	2,477,451
Property taxes, levied for capital outlay	792,076
Investment income	266,983
Unrestricted county aid	2,621,782
Unrestricted state aid	31,194,024
Unrestricted federal aid	310,628
Total general revenues	<u>49,032,320</u>

Changes in net position (691,240)

Net position, beginning of year, as restated 38,348,994

Net position, end of year \$ 37,657,754

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

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FUND FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 2,077,944	\$
Property taxes receivable	180,339		
Accounts receivable			
Due from governmental entities	8,788,372	237,057	
Due from other funds			
Prepaid items	390,028		
Inventory	166,982		
Deposits			
Total assets	<u>\$ 9,525,721</u>	<u>\$ 2,315,001</u>	<u>\$</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 244,554	\$	\$
Construction contracts payable	1,085,229		
Due to other funds	337,608		929,148
Accrued payroll and employee benefits	399,654		
Unearned revenues			
Bonds payable			
Bond interest payable			
Total liabilities	<u>2,067,045</u>	<u></u>	<u>929,148</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	137,367		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u>137,367</u>	<u></u>	<u></u>
Fund balances (deficits):			
Nonspendable	557,010		
Restricted	791,016	2,315,001	
Unassigned	5,973,283		(929,148)
Total fund balances	<u>7,321,309</u>	<u>2,315,001</u>	<u>(929,148)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,525,721</u>	<u>\$ 2,315,001</u>	<u>\$</u>

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

<u>Debt Service</u>	<u>Adjacent Ways</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,841,019	\$ 499,777	\$ 4,271,464	\$ 9,690,204
34,983	49,613		264,935
		13,000	13,000
95,461		731,148	9,852,038
	1,753,284		1,753,284
			390,028
			166,982
		65,369	65,369
<u>\$ 2,971,463</u>	<u>\$ 2,302,674</u>	<u>\$ 5,080,981</u>	<u>\$ 22,195,840</u>
\$	\$	\$ 146,902	\$ 391,456
		131,016	1,216,245
		486,528	1,753,284
		10,494	410,148
		129,499	129,499
1,910,000			1,910,000
456,120			456,120
<u>2,366,120</u>	<u></u>	<u>904,439</u>	<u>6,266,752</u>
26,636	49,613		213,616
95,461		133,418	228,879
<u>122,097</u>	<u>49,613</u>	<u>133,418</u>	<u>442,495</u>
			557,010
483,246	2,253,061	4,153,480	9,995,804
		(110,356)	4,933,779
<u>483,246</u>	<u>2,253,061</u>	<u>4,043,124</u>	<u>15,486,593</u>
<u>\$ 2,971,463</u>	<u>\$ 2,302,674</u>	<u>\$ 5,080,981</u>	<u>\$ 22,195,840</u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total governmental fund balances **\$ 15,486,593**

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	\$ 118,273,205	
Less accumulated depreciation	<u>(34,011,964)</u>	84,261,241

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

Property taxes	213,616	
Intergovernmental	<u>228,879</u>	442,495

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

Deferred outflows of resources related to pensions	5,785,254	
Deferred inflows of resources related to pensions	<u>(2,337,686)</u>	3,447,568

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

Compensated absences payable	(1,571,740)	
Obligations under capital leases	(1,726,295)	
Net pension liability	(37,411,041)	
Bonds payable	<u>(25,271,067)</u>	<u>(65,980,143)</u>

Net position of governmental activities **\$ 37,657,754**

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, 2020

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 2,909,115	\$ 31,049	\$
Property taxes	11,606,712		
State aid and grants	27,894,548	2,844,687	
Federal aid, grants and reimbursements	310,628		5,458
Total revenues	<u>42,721,003</u>	<u>2,875,736</u>	<u>5,458</u>
Expenditures:			
Current -			
Instruction	21,861,362	2,586,208	427,288
Support services - students and staff	6,125,284	200,985	203,126
Support services - administration	4,923,757		36,556
Operation and maintenance of plant services	4,087,012		29,291
Student transportation services	1,487,216		218,044
Operation of non-instructional services	272,517		14,846
Capital outlay	4,728,744		
Debt service -			
Principal retirement	129,289		
Interest and fiscal charges	7,626		
Bond issuance costs			
Total expenditures	<u>43,622,807</u>	<u>2,787,193</u>	<u>929,151</u>
Excess (deficiency) of revenues over expenditures	<u>(901,804)</u>	<u>88,543</u>	<u>(923,693)</u>
Other financing sources (uses):			
Transfers in	417,234		
Transfers out	(199,124)		
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries	4,755		
Total other financing sources (uses)	<u>222,865</u>		
Changes in fund balances	<u>(678,939)</u>	<u>88,543</u>	<u>(923,693)</u>
Fund balances (deficits), beginning of year, as restated	7,521,219	2,226,458	(5,455)
Increase (decrease) in reserve for prepaid items	390,028		
Increase (decrease) in reserve for inventory	89,001		
Fund balances (deficits), end of year	<u>\$ 7,321,309</u>	<u>\$ 2,315,001</u>	<u>\$ (929,148)</u>

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

<u>Debt Service</u>	<u>Adjacent Ways</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 43,083	\$ 23,134	\$ 995,543	\$ 4,001,924
2,421,011	849,074		14,876,797
		828,967	31,568,202
212,578		7,543,680	8,072,344
<u>2,676,672</u>	<u>872,208</u>	<u>9,368,190</u>	<u>58,519,267</u>
		1,189,440	26,064,298
		1,295,439	7,824,834
		760,074	5,720,387
		69,547	4,185,850
		74,065	1,779,325
		4,559,740	4,847,103
	67,959	6,687,892	11,484,595
1,910,000		148,797	2,188,086
931,243		50,327	989,196
		51,191	51,191
<u>2,841,243</u>	<u>67,959</u>	<u>14,886,512</u>	<u>65,134,865</u>
<u>(164,571)</u>	<u>804,249</u>	<u>(5,518,322)</u>	<u>(6,615,598)</u>
37,741		199,124	654,099
		(454,975)	(654,099)
		2,950,000	2,950,000
		21,476	21,476
			4,755
<u>37,741</u>		<u>2,715,625</u>	<u>2,976,231</u>
<u>(126,830)</u>	<u>804,249</u>	<u>(2,802,697)</u>	<u>(3,639,367)</u>
610,076	1,448,812	6,845,821	18,646,931
			390,028
			89,001
<u>\$ 483,246</u>	<u>\$ 2,253,061</u>	<u>\$ 4,043,124</u>	<u>\$ 15,486,593</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, 2020

Changes in fund balances - total governmental funds **\$ (3,639,367)**

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 and reported as depreciation expense.

Expenditures for capitalized assets	\$ 8,626,941	
Less current year depreciation	<u>(3,135,094)</u>	5,491,847

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.	(2,950,000)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(237,894)	
Intergovernmental	<u>(309,849)</u>	(547,743)

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	278,086	
Bond principal retirement	<u>1,910,000</u>	2,188,086

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

Current year pension contributions	3,343,411	
Pension expense	<u>(4,726,233)</u>	(1,382,822)

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.

Prepaid items	390,028	
Inventory	89,001	
Loss on disposal of assets	(1,177)	
Amortization of deferred bond items	33,651	
Compensated absences	<u>(362,744)</u>	<u>148,759</u>

Changes in net position in governmental activities **\$ (691,240)**

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, 2020

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, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds. Beginning balances of the governmental funds and governmental activities have been restated by \$52,521 accordingly.

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, 2020

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 or fiduciary 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.

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.

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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.

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Adjacent Ways Fund – The Adjacent Ways Fund accounts for monies received to finance improvements of public ways adjacent to school property

D. Cash and Investments

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

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

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

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, 2020

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, 2020

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	Other Federal Projects Fund	Debt Service Fund	Adjacent Ways Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 166,982	\$	\$	\$	\$	\$
Prepaid items	390,028					
Restricted:						
Debt service				483,246		
Capital projects	791,016				2,253,061	989,596
Bond building projects						959,583
Voter approved initiatives		2,315,001				296,361
Federal and state projects						74,243
Food service						934,992
Civic center						252,306
Community school						193,149
Extracurricular activities						103,297
Intergovernmental agreements						254,658
Student activities						54,795
Other purposes						40,500
Unassigned	5,973,283		(929,148)			(110,356)
Total fund balances	<u>\$ 7,321,309</u>	<u>\$ 2,315,001</u>	<u>\$ (929,148)</u>	<u>\$ 483,246</u>	<u>\$ 2,253,061</u>	<u>\$ 4,043,124</u>

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District's restricted net position at year end.

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 605,343
Capital projects	4,108,839
Voter approved initiatives	2,611,362
Federal and state projects	97,305
Food service	934,992
Civic center	252,306
Community school	193,149
Extracurricular activities	103,297
Intergovernmental agreements	254,658
Other purposes	95,295
Total	<u>\$ 9,256,546</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual major and non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Major Governmental Fund:	
Other Federal Projects	\$ 929,148
Non-Major Governmental Funds:	
Title I Grants	58,252
Professional Development and	
Technology Grants	5,322
Limited English & Immigrant Students	8,524
Special Education Grants	38,258

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 are expected to eliminate the deficits.

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

NOTE 5 – 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 zero and the bank balance was \$207,118.

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	313 days	\$ 9,690,204

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

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

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

NOTE 6 – RECEIVABLES

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Other Federal Projects Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:					
Due from federal government	\$	\$	\$ 929,148	\$ 95,461	\$ 580,817
Due from state government	8,788,372	237,057			143,825
Due from other districts					6,506
Net due from governmental entities	<u>\$ 8,788,372</u>	<u>\$ 237,057</u>	<u>\$ 929,148</u>	<u>\$ 95,461</u>	<u>\$ 731,148</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 7,903,012	\$ 5,718,038	\$	\$ 13,621,050
Construction in progress		774,833		774,833
Total capital assets, not being depreciated	<u>7,903,012</u>	<u>6,492,871</u>		<u>14,395,883</u>
Capital assets, being depreciated:				
Land improvements	2,017,929	460,281		2,478,210
Buildings and improvements	90,780,423	597,356		91,377,779
Vehicles, furniture and equipment	8,947,073	1,076,433	2,173	10,021,333
Total capital assets being depreciated	<u>101,745,425</u>	<u>2,134,070</u>	<u>2,173</u>	<u>103,877,322</u>
Less accumulated depreciation for:				
Land improvements	(1,068,861)	(93,065)		(1,161,926)
Buildings and improvements	(24,022,059)	(2,410,392)		(26,432,451)
Vehicles, furniture and equipment	(5,786,946)	(631,637)	(996)	(6,417,587)
Total accumulated depreciation	<u>(30,877,866)</u>	<u>(3,135,094)</u>	<u>(996)</u>	<u>(34,011,964)</u>
Total capital assets, being depreciated, net	<u>70,867,559</u>	<u>(1,001,024)</u>	<u>1,177</u>	<u>69,865,358</u>
Governmental activities capital assets, net	<u>\$ 78,770,571</u>	<u>\$ 5,491,847</u>	<u>\$ 1,177</u>	<u>\$ 84,261,241</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,103,796
Support services – students and staff	45,059
Support services – administration	237,295
Operation and maintenance of plant services	420,637
Student transportation services	255,764
Operation of non-instructional services	72,543
Total depreciation expense – governmental activities	<u>\$ 3,135,094</u>

Construction Commitments – At year end, the District had contractual commitments related to remodeling projects at Littleton Elementary School for the Head Start program. At year end the District had spent \$774,833 on the projects and had estimated remaining contractual commitments of \$9,190. These projects are being funded with revenues from the Unrestricted Capital Outlay Fund and Gifts and Donations – Capital Fund.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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. At year end, the District had \$7.5 million in unused line of credit. The District did not use its line of credit during the fiscal year.

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired energy upgrades under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. Revenues from the Unrestricted Capital Outlay Fund are used to pay one of the capital lease obligations. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the other capital lease obligation. 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	\$ 3,438,716
Less: Accumulated depreciation	736,222
Total	<u>\$ 2,702,494</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>
2021	\$ 199,125
2022	199,125
2023	199,124
2024	199,124
2025	199,125
2026-30	<u>995,622</u>
Total minimum lease payments	1,991,245
Less: amount representing interest	<u>264,950</u>
Present value of minimum lease payments	<u>\$ 1,726,295</u>
Due within one year	<u>\$ 152,791</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the amount originally authorized, \$14,000,000 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. The District's legal debt limit is \$60.8 million and the available margin is \$34.0 million. 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, 2020	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2006, Series B (2008)	\$ 7,830,000	4.00%	7/1/20	\$ 945,000	\$ 945,000
School Improvement Bonds, Project of 2009 Series A (2010)	4,600,000	6.623%	7/1/20-27	3,690,000	475,000
School Improvement Bonds, Project of 2014, Series A (2015)	11,860,000	2.0-4.0%	7/1/20-32	11,285,000	300,000
Private placement general obligation bonds:					
School Improvements Bonds, Project of 2014, Series B (2017)	2,390,000	2.17%	7/1/20-29	2,320,000	85,000
School Improvements Bonds, Project of 2017, Series A (2018)	3,750,000	2.96%	7/1/20-31	3,695,000	105,000
School Improvements Bonds, Project of 2017, Series B (2019)	2,000,000	2.75%	7/1/21-30	2,000,000	
School Improvements Bonds, Project of 2017, Series C (2020)	2,950,000	2.62%	7/1/21-25	2,950,000	
Total				<u>\$ 26,885,000</u>	<u>\$ 1,910,000</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement	General
	Principal	Interest	Obligation Bonds	
2021	\$ 1,720,000	\$ 659,747	\$ 190,000	\$ 231,725
2022	1,340,000	589,547	940,000	232,969
2023	1,050,000	533,824	1,640,000	214,986
2024	1,380,000	481,730	710,000	197,643
2025	1,335,000	424,430	1,155,000	184,539
2026-30	6,185,000	1,186,680	4,285,000	643,524
2031-33	2,910,000	162,532	2,045,000	48,612
Total	<u>\$ 15,920,000</u>	<u>\$4,038,490</u>	<u>\$10,965,000</u>	<u>\$ 1,753,998</u>

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 17,565,000	\$	\$ 1,645,000	\$ 15,920,000	\$ 1,720,000
Private placement general obligation bonds	8,140,000	2,950,000	125,000	10,965,000	190,000
Premium	329,718	21,476	55,127	296,067	
Total bonds payable	<u>26,034,718</u>	<u>2,971,476</u>	<u>1,825,127</u>	<u>27,181,067</u>	<u>1,910,000</u>
Obligations under capital leases	2,004,381		278,086	1,726,295	152,791
Net pension liability	33,595,677	3,815,364		37,411,041	
Compensated absences payable	<u>1,208,996</u>	<u>748,684</u>	<u>385,940</u>	<u>1,571,740</u>	<u>150,000</u>
Governmental activity long-term liabilities	<u>\$ 62,843,772</u>	<u>\$ 7,535,524</u>	<u>\$ 2,489,153</u>	<u>\$ 67,890,143</u>	<u>\$ 2,212,791</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, the General Fund, Other Federal Projects Fund, and several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$1,753,284. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the Adjacent Ways Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Fund	
Transfers out				
General Fund	\$	\$	\$ 199,124	\$ 199,124
Non-Major Governmental Funds	417,234	37,741		454,975
Total	\$ 417,234	\$ 37,741	\$ 199,124	\$ 654,099

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, 2) to move federal grant funds restricted for indirect costs, and 3) to move energy savings between the General Fund and the Energy and Water Savings Fund, a non-major governmental fund, for the payment of the energy efficient upgrades capital lease.

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The July 1, 2019, government-wide net position and fund balance of the Debt Service Fund do not agree to the prior year financial statements due to a correction of an error. A payment related to the federal interest subsidy was not included in the prior year financial statements. The Debt Service Fund should have included an additional \$105,881 in revenue and a receivable to account for this payment. In addition, the government-wide net position and Non-Major Governmental Funds fund balance do not agree to the prior year due to implementation of GASB Statement No. 84.

	Statement of Activities	Debt Service Fund	Governmental Funds Non-Major Governmental Funds
Fund balance, June 30, 2019, as previously reported	\$ 38,190,592	\$ 504,195	\$ 6,793,300
Prior year federal interest subsidy revenue not included in the financial statements	105,881	105,881	
Student activities per GASB 84	52,521		52,521
Fund balance, July 1, 2019, as restated	<u>\$ 38,348,994</u>	<u>\$ 610,076</u>	<u>\$ 6,845,821</u>

NOTE 15 – 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, 2020

NOTE 16 – PENSIONS

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.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

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

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

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS

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 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2020 were \$3,343,411.

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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District's proportion of the net 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, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 37,411,041	0.257	0.016

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2020 was \$4,726,233.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 675,840	\$ 7,034
Changes of assumptions or other inputs	158,138	1,489,781
Net difference between projected and actual earnings on pension investments		840,871
Changes in proportion and differences between contributions and proportionate share of contributions	1,607,865	
Contributions subsequent to the measurement date	3,343,411	
Total	<u>\$ 5,785,254</u>	<u>\$ 2,337,686</u>

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 liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2021	\$ 291,879
2022	(251,447)
2023	(161,483)
2024	225,208

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 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, excluding any expected inflation.

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rate	6.5%	7.5%	8.5%
Net liability	\$ 53,244,577	\$ 37,411,041	\$ 24,178,280

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,466,887	\$ 2,466,887
Property taxes			9,011,536	9,011,536
State aid and grants			26,727,433	26,727,433
Total revenues			<u>38,205,856</u>	<u>38,205,856</u>
Expenditures:				
Current -				
Instruction	23,404,554	22,331,155	21,313,027	1,018,128
Support services - students and staff	5,557,500	6,293,579	5,862,787	430,792
Support services - administration	4,632,185	4,659,261	4,396,058	263,203
Operation and maintenance of plant services	3,860,683	3,800,183	3,714,052	86,131
Student transportation services	1,681,444	1,748,944	1,454,629	294,315
Operation of non-instructional services	97,483	257,983	272,517	(14,534)
Total expenditures	<u>39,233,849</u>	<u>39,091,105</u>	<u>37,013,070</u>	<u>2,078,035</u>
Excess (deficiency) of revenues over expenditures	<u>(39,233,849)</u>	<u>(39,091,105)</u>	<u>1,192,786</u>	<u>40,283,891</u>
Other financing sources (uses):				
Transfers out			(199,124)	(199,124)
Total other financing sources (uses)			<u>(199,124)</u>	<u>(199,124)</u>
Changes in fund balances	<u>(39,233,849)</u>	<u>(39,091,105)</u>	<u>993,662</u>	<u>40,084,767</u>
Fund balances, beginning of year			2,020,269	2,020,269
Increase (decrease) in reserve for prepaid items			390,028	390,028
Increase (decrease) in reserve for inventory			89,001	89,001
Fund balances (deficits), end of year	<u>\$ (39,233,849)</u>	<u>\$ (39,091,105)</u>	<u>\$ 3,492,960</u>	<u>\$ 42,584,065</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 31,049	\$ 31,049
State aid and grants			2,844,687	2,844,687
Total revenues			<u>2,875,736</u>	<u>2,875,736</u>
Expenditures:				
Current -				
Instruction	4,933,348	4,741,200	2,586,208	2,154,992
Support services - students and staff	379,934	405,434	200,985	204,449
Total expenditures	<u>5,313,282</u>	<u>5,146,634</u>	<u>2,787,193</u>	<u>2,359,441</u>
Changes in fund balances	<u>(5,313,282)</u>	<u>(5,146,634)</u>	<u>88,543</u>	<u>5,235,177</u>
Fund balances, beginning of year			2,226,458	2,226,458
Fund balances (deficits), end of year	<u>\$ (5,313,282)</u>	<u>\$ (5,146,634)</u>	<u>\$ 2,315,001</u>	<u>\$ 7,461,635</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
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 5,458	\$ 5,458
Total revenues		<u>5,458</u>	<u>5,458</u>
Expenditures:			
Current -			
Instruction		427,288	(427,288)
Support services - students and staff		203,126	(203,126)
Support services - administration		36,556	(36,556)
Operation and maintenance of plant services		29,291	(29,291)
Student transportation services		218,044	(218,044)
Operation of non-instructional services		14,846	(14,846)
Total expenditures		<u>929,151</u>	<u>(929,151)</u>
Changes in fund balances		<u>(923,693)</u>	<u>(923,693)</u>
Fund balances (deficits), beginning of year		(5,455)	(5,455)
Fund balances (deficits), end of year	<u>\$</u>	<u>(929,148)</u>	<u>\$ (929,148)</u>

See accompanying notes to this schedule.

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.26%	0.24%	0.24%	0.24%
District's proportionate share of the net pension (assets) liability	\$ 37,411,041	\$ 33,595,677	\$ 37,521,293	\$ 38,325,201
District's covered payroll	\$ 27,075,957	\$ 23,922,110	\$ 23,172,968	\$ 22,266,700
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.17%	140.44%	161.92%	172.12%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,343,411	\$ 3,027,092	\$ 2,607,510	\$ 2,498,046
Contributions in relation to the actuarially determined contribution	<u>3,343,411</u>	<u>3,027,092</u>	<u>2,607,510</u>	<u>2,498,046</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 29,200,096	\$ 27,075,957	\$ 23,922,110	\$ 23,172,968
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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

See accompanying notes to this schedule.

<u>2016</u>	<u>2015</u>
June 30, 2015	June 30, 2014
0.25%	0.25%
\$ 38,849,925	\$ 36,326,109
\$ 23,064,702	\$ 22,117,589
168.44%	164.24%
68.35%	69.49%

<u>2016</u>	<u>2015</u>
\$ 2,415,937	\$ 2,511,746
<u>2,415,937</u>	<u>2,511,746</u>
<u>\$</u>	<u>\$</u>
\$ 22,266,700	\$ 23,064,702
10.85%	10.89%

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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	\$ 43,622,807	\$ 7,321,309
Activity budgeted as special revenue funds	(932,662)	(3,037,333)
Activity budgeted as capital projects funds	(4,856,787)	(791,016)
Prior year prepaid items	<u>(820,288)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 37,013,070</u>	<u>\$ 3,492,960</u>

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,204,930	\$ 2,066,534	\$ 4,271,464
Accounts receivable		13,000	13,000
Due from governmental entities	728,547	2,601	731,148
Deposits	65,369		65,369
Total assets	<u><u>\$ 2,998,846</u></u>	<u><u>\$ 2,082,135</u></u>	<u><u>\$ 5,080,981</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 146,902	\$	\$ 146,902
Construction contracts payable		131,016	131,016
Due to other funds	484,588	1,940	486,528
Accrued payroll and employee benefits	10,494		10,494
Unearned revenues	129,499		129,499
Total liabilities	<u><u>771,483</u></u>	<u><u>132,956</u></u>	<u><u>904,439</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>133,418</u>		<u>133,418</u>
Fund balances (deficits):			
Restricted	2,204,301	1,949,179	4,153,480
Unassigned	(110,356)		(110,356)
Total fund balances	<u><u>2,093,945</u></u>	<u><u>1,949,179</u></u>	<u><u>4,043,124</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,998,846</u></u>	<u><u>\$ 2,082,135</u></u>	<u><u>\$ 5,080,981</u></u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 762,139	\$ 233,404	\$ 995,543
State aid and grants	632,852	196,115	828,967
Federal aid, grants and reimbursements	7,543,680		7,543,680
Total revenues	<u>8,938,671</u>	<u>429,519</u>	<u>9,368,190</u>
Expenditures:			
Current -			
Instruction	1,189,440		1,189,440
Support services - students and staff	1,295,439		1,295,439
Support services - administration	760,074		760,074
Operation and maintenance of plant services	69,547		69,547
Student transportation services	74,065		74,065
Operation of non-instructional services	4,559,740		4,559,740
Capital outlay	300,218	6,387,674	6,687,892
Debt service -			
Principal retirement		148,797	148,797
Interest and fiscal charges		50,327	50,327
Bond issuance costs		51,191	51,191
Total expenditures	<u>8,248,523</u>	<u>6,637,989</u>	<u>14,886,512</u>
Excess (deficiency) of revenues over expenditures	<u>690,148</u>	<u>(6,208,470)</u>	<u>(5,518,322)</u>
Other financing sources (uses):			
Transfers in		199,124	199,124
Transfers out	(417,234)	(37,741)	(454,975)
Issuance of school improvement bonds		2,950,000	2,950,000
Premium on sale of bonds		21,476	21,476
Total other financing sources (uses)	<u>(417,234)</u>	<u>3,132,859</u>	<u>2,715,625</u>
Changes in fund balances	<u>272,914</u>	<u>(3,075,611)</u>	<u>(2,802,697)</u>
Fund balances, beginning of year, as restated	1,821,031	5,024,790	6,845,821
Fund balances, end of year	<u>\$ 2,093,945</u>	<u>\$ 1,949,179</u>	<u>\$ 4,043,124</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.

Gifted - to account for financial assistance received for programs for gifted students.

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.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 155,137	\$ 5,271	\$
Due from governmental entities	141,224		259,064
Deposits			
Total assets	<u>\$ 296,361</u>	<u>\$ 5,271</u>	<u>\$ 259,064</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 2,035
Due to other funds			246,535
Accrued payroll and employee benefits			10,494
Unearned revenues			
Total liabilities			<u>259,064</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>58,252</u>
Fund balances (deficits):			
Restricted	296,361	5,271	
Unassigned			(58,252)
Total fund balances	<u>296,361</u>	<u>5,271</u>	<u>(58,252)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 296,361</u>	<u>\$ 5,271</u>	<u>\$ 259,064</u>

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other State Projects	Food Service
\$ 14,267	\$ 67,317	\$ 156,469	\$ 61,706 37,462	\$ 129,499	\$ 964,395 46,238 65,369
<u>\$ 14,267</u>	<u>\$ 67,317</u>	<u>\$ 156,469</u>	<u>\$ 99,168</u>	<u>\$ 129,499</u>	<u>\$ 1,076,002</u>
\$ 14,267	\$ 67,317	\$ 156,469	\$ 1,863	\$	\$ 141,010
<u>14,267</u>	<u>67,317</u>	<u>156,469</u>	<u>1,863</u>	<u>129,499</u> <u>129,499</u>	<u>141,010</u>
<u>5,322</u>	<u>8,524</u>	<u>38,258</u>	<u>23,062</u>		
<u>(5,322)</u>	<u>(8,524)</u>	<u>(38,258)</u>	74,243		934,992
<u>(5,322)</u>	<u>(8,524)</u>	<u>(38,258)</u>	<u>74,243</u>		<u>934,992</u>
<u>\$ 14,267</u>	<u>\$ 67,317</u>	<u>\$ 156,469</u>	<u>\$ 99,168</u>	<u>\$ 129,499</u>	<u>\$ 1,076,002</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
<u>ASSETS</u>			
Cash and investments	\$ 252,306	\$ 193,149	\$ 103,297
Due from governmental entities			
Deposits			
Total assets	<u>\$ 252,306</u>	<u>\$ 193,149</u>	<u>\$ 103,297</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	252,306	193,149	103,297
Unassigned			
Total fund balances	<u>252,306</u>	<u>193,149</u>	<u>103,297</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 252,306</u>	<u>\$ 193,149</u>	<u>\$ 103,297</u>

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Student Activities</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
\$ 861	\$ 18,262	\$ 16,106	\$ 56,789	\$ 248,152 6,506	\$ 2,204,930 728,547 65,369
<u>\$ 861</u>	<u>\$ 18,262</u>	<u>\$ 16,106</u>	<u>\$ 56,789</u>	<u>\$ 254,658</u>	<u>\$ 2,998,846</u>
\$	\$	\$	\$ 1,994	\$	\$ 146,902 484,588 10,494 129,499
			<u>1,994</u>		<u>771,483</u>
					<u>133,418</u>
861	18,262	16,106	54,795	254,658	2,204,301 (110,356)
<u>861</u>	<u>18,262</u>	<u>16,106</u>	<u>54,795</u>	<u>254,658</u>	<u>2,093,945</u>
<u>\$ 861</u>	<u>\$ 18,262</u>	<u>\$ 16,106</u>	<u>\$ 56,789</u>	<u>\$ 254,658</u>	<u>\$ 2,998,846</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, 2020

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 2,332	\$ 96	\$
State aid and grants	258,674		
Federal aid, grants and reimbursements			1,363,267
Total revenues	<u>261,006</u>	<u>96</u>	<u>1,363,267</u>
Expenditures:			
Current -			
Instruction	37,688		436,653
Support services - students and staff	155,534		735,767
Support services - administration	3,750		48,115
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			1,416
Capital outlay			
Total expenditures	<u>196,972</u>	<u></u>	<u>1,221,951</u>
Excess (deficiency) of revenues over expenditures	<u>64,034</u>	<u>96</u>	<u>141,316</u>
Other financing sources (uses):			
Transfers out			(59,695)
Total other financing sources (uses)			<u>(59,695)</u>
Changes in fund balances	<u>64,034</u>	<u>96</u>	<u>81,621</u>
Fund balances (deficits), beginning of year, as restated	232,327	5,175	(139,873)
Fund balances (deficits), end of year	<u>\$ 296,361</u>	<u>\$ 5,271</u>	<u>\$ (58,252)</u>

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Gifted	Other State Projects
\$	\$	\$	\$ 759	\$	\$
154,459	163,598	726,470	647,081	4,610	369,568
<u>154,459</u>	<u>163,598</u>	<u>726,470</u>	<u>647,840</u>	<u>4,610</u>	<u>369,568</u>
	61,174	473,818	5,781	3,305	102,247
63,861	102,116	152,819	2,116	1,305	46,833
38,166	85	18,217	590,309		
			2,866		
		72,126			
		9,450	6,114		488
<u>102,027</u>	<u>163,375</u>	<u>726,430</u>	<u>607,186</u>	<u>4,610</u>	<u>220,000</u>
					<u>369,568</u>
<u>52,432</u>	<u>223</u>	<u>40</u>	<u>40,654</u>		
<u>(5,731)</u>	<u>(8,524)</u>	<u>(38,298)</u>			
<u>(5,731)</u>	<u>(8,524)</u>	<u>(38,298)</u>			
<u>46,701</u>	<u>(8,301)</u>	<u>(38,258)</u>	<u>40,654</u>		
<u>(52,023)</u>	<u>(223)</u>		<u>33,589</u>		
<u>\$ (5,322)</u>	<u>\$ (8,524)</u>	<u>\$ (38,258)</u>	<u>\$ 74,243</u>	<u>\$</u>	<u>\$</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
Revenues:			
Other local	\$ 472,620	\$ 27,478	\$ 28,396
State aid and grants			
Federal aid, grants and reimbursements	4,488,805		
Total revenues	<u>4,961,425</u>	<u>27,478</u>	<u>28,396</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		14,750	
Support services - administration	7,689	16,883	
Operation and maintenance of plant services	1,346	9,784	
Student transportation services			
Operation of non-instructional services	4,557,836		
Capital outlay	63,413		
Total expenditures	<u>4,630,284</u>	<u>41,417</u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>331,141</u>	<u>(13,939)</u>	<u>28,396</u>
Other financing sources (uses):			
Transfers out	(304,986)		
Total other financing sources (uses)	<u>(304,986)</u>	<u></u>	<u></u>
Changes in fund balances	<u>26,155</u>	<u>(13,939)</u>	<u>28,396</u>
Fund balances (deficits), beginning of year, as restated	908,837	266,245	164,753
Fund balances, end of year	<u>\$ 934,992</u>	<u>\$ 252,306</u>	<u>\$ 193,149</u>

<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Student Activities</u>	<u>Intergovernmental Agreements</u>
\$ 36,063	\$ 389	\$ 1,984	\$ 286	\$ 24,404	\$ 167,332
<u>36,063</u>	<u>389</u>	<u>1,984</u>	<u>286</u>	<u>24,404</u>	<u>167,332</u>
29,588		559		5,533	33,653
	264			8,571	11,208
				6,337	30,259
1,414				525	55,551
77				1,164	
<u>31,079</u>	<u>264</u>	<u>559</u>		<u>22,130</u>	<u>130,671</u>
<u>4,984</u>	<u>125</u>	<u>1,425</u>	<u>286</u>	<u>2,274</u>	<u>36,661</u>
<u>4,984</u>	<u>125</u>	<u>1,425</u>	<u>286</u>	<u>2,274</u>	<u>36,661</u>
98,313	736	16,837	15,820	52,521	217,997
<u>\$ 103,297</u>	<u>\$ 861</u>	<u>\$ 18,262</u>	<u>\$ 16,106</u>	<u>\$ 54,795</u>	<u>\$ 254,658</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Totals</u>
Revenues:	
Other local	\$ 762,139
State aid and grants	632,852
Federal aid, grants and reimbursements	7,543,680
Total revenues	<u>8,938,671</u>
Expenditures:	
Current -	
Instruction	1,189,440
Support services - students and staff	1,295,439
Support services - administration	760,074
Operation and maintenance of plant services	69,547
Student transportation services	74,065
Operation of non-instructional services	4,559,740
Capital outlay	300,218
Total expenditures	<u>8,248,523</u>
Excess (deficiency) of revenues over expenditures	<u>690,148</u>
Other financing sources (uses):	
Transfers out	(417,234)
Total other financing sources (uses)	<u>(417,234)</u>
Changes in fund balances	<u>272,914</u>
Fund balances (deficits), beginning of year, as restated	1,821,031
Fund balances, end of year	<u>\$ 2,093,945</u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Instructional Improvement		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,332	\$ 2,332
State aid and grants		258,674	258,674
Federal aid, grants and reimbursements			
Total revenues		<u>261,006</u>	<u>261,006</u>
Expenditures:			
Current -			
Instruction	350,842	37,688	313,154
Support services - students and staff		155,534	(155,534)
Support services - administration		3,750	(3,750)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>350,842</u>	<u>196,972</u>	<u>153,870</u>
Excess (deficiency) of revenues over expenditures	<u>(350,842)</u>	<u>64,034</u>	<u>414,876</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(350,842)</u>	<u>64,034</u>	<u>414,876</u>
Fund balances (deficits), beginning of year, as restated		232,327	232,327
Fund balances (deficits), end of year	<u>\$ (350,842)</u>	<u>\$ 296,361</u>	<u>\$ 647,203</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 96	\$ 96	\$	\$	\$
				1,363,267	1,363,267
	96	96		1,363,267	1,363,267
2,779		2,779	1,581,796	436,653	(436,653)
				735,767	846,029
				48,115	(48,115)
				1,416	(1,416)
2,779		2,779	1,581,796	1,221,951	359,845
(2,779)	96	2,875	(1,581,796)	141,316	1,723,112
				(59,695)	(59,695)
				(59,695)	(59,695)
(2,779)	96	2,875	(1,581,796)	81,621	1,663,417
	5,175	5,175		(139,873)	(139,873)
\$ (2,779)	\$ 5,271	\$ 8,050	\$ (1,581,796)	\$ (58,252)	\$ 1,523,544

(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, 2020

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		154,459	154,459
Total revenues		<u>154,459</u>	<u>154,459</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	256,689	63,861	192,828
Support services - administration		38,166	(38,166)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>256,689</u>	<u>102,027</u>	<u>154,662</u>
Excess (deficiency) of revenues over expenditures	<u>(256,689)</u>	<u>52,432</u>	<u>309,121</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(5,731)	(5,731)
Insurance recoveries			
Total other financing sources (uses)		<u>(5,731)</u>	<u>(5,731)</u>
Changes in fund balances	<u>(256,689)</u>	<u>46,701</u>	<u>303,390</u>
Fund balances (deficits), beginning of year, as restated		(52,023)	(52,023)
Fund balances (deficits), end of year	<u>\$ (256,689)</u>	<u>\$ (5,322)</u>	<u>\$ 251,367</u>

Limited English & Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	163,598	163,598		726,470	726,470
	163,598	163,598		726,470	726,470
	61,174	(61,174)	1,092,215	473,818	618,397
194,599	102,116	92,483		152,819	(152,819)
	85	(85)		18,217	(18,217)
				72,126	(72,126)
				9,450	(9,450)
194,599	163,375	31,224	1,092,215	726,430	365,785
(194,599)	223	194,822	(1,092,215)	40	1,092,255
	(8,524)	(8,524)		(38,298)	(38,298)
	(8,524)	(8,524)		(38,298)	(38,298)
(194,599)	(8,301)	186,298	(1,092,215)	(38,258)	1,053,957
	(223)	(223)			
\$ (194,599)	\$ (8,524)	\$ 186,075	\$ (1,092,215)	\$ (38,258)	\$ 1,053,957

(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, 2020

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,743	\$ 6,743
State aid and grants			
Federal aid, grants and reimbursements		310,628	310,628
Total revenues		<u>317,371</u>	<u>317,371</u>
Expenditures:			
Current -			
Instruction		1,438	(1,438)
Support services - students and staff		16,649	(16,649)
Support services - administration	551,803	188,178	363,625
Operation and maintenance of plant services		1,741	(1,741)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>551,803</u>	<u>208,006</u>	<u>343,797</u>
Excess (deficiency) of revenues over expenditures	<u>(551,803)</u>	<u>109,365</u>	<u>661,168</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(551,803)</u>	<u>109,365</u>	<u>661,168</u>
Fund balances (deficits), beginning of year, as restated		824,869	824,869
Fund balances (deficits), end of year	<u>\$ (551,803)</u>	<u>\$ 934,234</u>	<u>\$ 1,486,037</u>

E-Rate			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 759	\$ 759	\$	\$	\$
	647,081	647,081		4,610	4,610
	647,840	647,840		4,610	4,610
	5,781	(5,781)			
	2,116	(2,116)	5,352	3,305	2,047
62,730	590,309	(527,579)		1,305	(1,305)
	2,866	(2,866)			
	6,114	(6,114)			
62,730	607,186	(544,456)	5,352	4,610	742
(62,730)	40,654	103,384	(5,352)		5,352
(62,730)	40,654	103,384	(5,352)		5,352
	33,589	33,589			
\$ (62,730)	\$ 74,243	\$ 136,973	\$ (5,352)	\$	\$ 5,352

(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, 2020

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		369,568	369,568
Federal aid, grants and reimbursements			
Total revenues		<u>369,568</u>	<u>369,568</u>
Expenditures:			
Current -			
Instruction	795,708	102,247	693,461
Support services - students and staff		46,833	(46,833)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		488	(488)
Capital outlay		220,000	(220,000)
Total expenditures	<u>795,708</u>	<u>369,568</u>	<u>426,140</u>
Excess (deficiency) of revenues over expenditures	<u>(795,708)</u>		<u>795,708</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(795,708)</u>		<u>795,708</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (795,708)</u>	<u>\$</u>	<u>\$ 795,708</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 16,087	\$ 16,087	\$	\$ 472,620	\$ 472,620
				4,488,805	4,488,805
	<u>16,087</u>	<u>16,087</u>		<u>4,961,425</u>	<u>4,961,425</u>
130,000		130,000		7,689	(7,689)
				1,346	(1,346)
			4,623,844	4,557,836	66,008
				63,413	(63,413)
<u>130,000</u>		<u>130,000</u>	<u>4,623,844</u>	<u>4,630,284</u>	<u>(6,440)</u>
<u>(130,000)</u>	<u>16,087</u>	<u>146,087</u>	<u>(4,623,844)</u>	<u>331,141</u>	<u>4,954,985</u>
				(304,986)	(304,986)
				<u>(304,986)</u>	<u>(304,986)</u>
<u>(130,000)</u>	<u>16,087</u>	<u>146,087</u>	<u>(4,623,844)</u>	<u>26,155</u>	<u>4,649,999</u>
	231,654	231,654		908,837	908,837
<u>\$ (130,000)</u>	<u>\$ 247,741</u>	<u>\$ 377,741</u>	<u>\$ (4,623,844)</u>	<u>\$ 934,992</u>	<u>\$ 5,558,836</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, 2020

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 27,478	\$ 27,478
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>27,478</u>	<u>27,478</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		14,750	(14,750)
Support services - administration	290,261	16,883	273,378
Operation and maintenance of plant services		9,784	(9,784)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>290,261</u>	<u>41,417</u>	<u>248,844</u>
Excess (deficiency) of revenues over expenditures	<u>(290,261)</u>	<u>(13,939)</u>	<u>276,322</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(290,261)</u>	<u>(13,939)</u>	<u>276,322</u>
Fund balances (deficits), beginning of year, as restated		266,245	266,245
Fund balances (deficits), end of year	<u>\$ (290,261)</u>	<u>\$ 252,306</u>	<u>\$ 542,567</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 28,396	\$ 28,396	\$	\$ 169,673	\$ 169,673
	28,396	28,396		169,673	169,673
205,424		205,424	324,356	78,166	246,190
				41,046	(41,046)
				15,211	(15,211)
				13,211	(13,211)
205,424		205,424	324,356	147,634	176,722
(205,424)	28,396	233,820	(324,356)	22,039	346,395
(205,424)	28,396	233,820	(324,356)	22,039	346,395
	164,753	164,753		157,155	157,155
\$ (205,424)	\$ 193,149	\$ 398,573	\$ (324,356)	\$ 179,194	\$ 503,550

(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, 2020

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 36,063	\$ 36,063
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>36,063</u>	<u>36,063</u>
Expenditures:			
Current -			
Instruction	132,615	29,588	103,027
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		1,414	(1,414)
Operation of non-instructional services			
Capital outlay		77	(77)
Total expenditures	<u>132,615</u>	<u>31,079</u>	<u>101,536</u>
Excess (deficiency) of revenues over expenditures	<u>(132,615)</u>	<u>4,984</u>	<u>137,599</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(132,615)</u>	<u>4,984</u>	<u>137,599</u>
Fund balances (deficits), beginning of year, as restated		98,313	98,313
Fund balances (deficits), end of year	<u>\$ (132,615)</u>	<u>\$ 103,297</u>	<u>\$ 235,912</u>

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 50,715	\$ 50,715	\$	\$ 389	\$ 389
	50,715	50,715		389	389
	15,049	(15,049)			
	8,239	(8,239)			
	3,223	(3,223)	6,000	264	5,736
187,230	19,376	167,854			
	3,134	(3,134)			
187,230	49,021	138,209	6,000	264	5,736
(187,230)	1,694	188,924	(6,000)	125	6,125
(187,230)	1,694	188,924	(6,000)	125	6,125
	136,142	136,142		736	736
\$ (187,230)	\$ 137,836	\$ 325,066	\$ (6,000)	\$ 861	\$ 6,861

(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, 2020

	School Opening		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 56	\$ 56
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>56</u>	<u>56</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>56</u>	<u>56</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		<u>56</u>	<u>56</u>
Fund balances (deficits), beginning of year, as restated		3,110	3,110
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 3,166</u>	<u>\$ 3,166</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,206	\$ 1,206	\$	\$ 1,984	\$ 1,984
	1,206	1,206		1,984	1,984
32,000		32,000	20,083	559	19,524
32,000		32,000	20,083	559	19,524
(32,000)	1,206	33,206	(20,083)	1,425	21,508
	4,755	4,755			
	4,755	4,755			
(32,000)	5,961	37,961	(20,083)	1,425	21,508
	64,700	64,700		16,837	16,837
\$ (32,000)	\$ 70,661	\$ 102,661	\$ (20,083)	\$ 18,262	\$ 38,345

(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, 2020

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,115	\$ 1,115
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,115</u>	<u>1,115</u>
Expenditures:			
Current -			
Instruction	59,000		59,000
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>59,000</u>		<u>59,000</u>
Excess (deficiency) of revenues over expenditures	<u>(59,000)</u>	<u>1,115</u>	<u>60,115</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(59,000)</u>	<u>1,115</u>	<u>60,115</u>
Fund balances (deficits), beginning of year, as restated		59,848	59,848
Fund balances (deficits), end of year	<u>\$ (59,000)</u>	<u>\$ 60,963</u>	<u>\$ 119,963</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 21,634	\$ 21,634	\$	\$ 286	\$ 286
	21,634	21,634		286	286
	3,682	(3,682)	15,000		15,000
	196,563	(196,563)			
660,000	321,087	338,913			
	931	(931)			
	5,738	(5,738)			
660,000	528,001	131,999	15,000		15,000
(660,000)	(506,367)	153,633	(15,000)	286	15,286
	417,234	417,234			
	417,234	417,234			
(660,000)	(89,133)	570,867	(15,000)	286	15,286
	1,491,715	1,491,715		15,820	15,820
\$ (660,000)	\$ 1,402,582	\$ 2,062,582	\$ (15,000)	\$ 16,106	\$ 31,106

(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, 2020

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 17	\$ 17
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		17	17
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		17	17
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		17	17
Fund balances (deficits), beginning of year, as restated		939	939
Fund balances (deficits), end of year	\$	\$ 956	\$ 956

Student Activities			Intergovernmental Agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 24,404	\$ 24,404	\$	\$ 167,332	\$ 167,332
	24,404	24,404		167,332	167,332
	5,533	(5,533)		33,653	(33,653)
	8,571	(8,571)		11,208	(11,208)
	6,337	(6,337)		30,259	(30,259)
	525	(525)	110,769	55,551	55,218
	1,164	(1,164)			
	22,130	(22,130)	110,769	130,671	(19,902)
	2,274	2,274	(110,769)	36,661	147,430
	2,274	2,274	(110,769)	36,661	147,430
	52,521	52,521		217,997	217,997
\$	\$ 54,795	\$ 54,795	\$ (110,769)	\$ 254,658	\$ 365,427

(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, 2020

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,029,385	\$ 1,029,385
State aid and grants		632,852	632,852
Federal aid, grants and reimbursements		7,854,308	7,854,308
Total revenues		<u>9,516,545</u>	<u>9,516,545</u>
Expenditures:			
Current -			
Instruction	3,015,291	1,287,775	1,727,516
Support services - students and staff	2,053,167	1,557,936	495,231
Support services - administration	1,570,794	1,287,773	283,021
Operation and maintenance of plant services	240,769	72,219	168,550
Student transportation services	187,230	106,652	80,578
Operation of non-instructional services	4,623,844	4,559,740	64,104
Capital outlay		309,090	(309,090)
Total expenditures	<u>11,691,095</u>	<u>9,181,185</u>	<u>2,509,910</u>
Excess (deficiency) of revenues over expenditures	<u>(11,691,095)</u>	<u>335,360</u>	<u>12,026,455</u>
Other financing sources (uses):			
Transfers in		417,234	417,234
Transfers out		(417,234)	(417,234)
Insurance recoveries		4,755	4,755
Total other financing sources (uses)		<u>4,755</u>	<u>4,755</u>
Changes in fund balances	<u>(11,691,095)</u>	<u>340,115</u>	<u>12,031,210</u>
Fund balances (deficits), beginning of year, as restated		4,791,163	4,791,163
Fund balances (deficits), end of year	<u>\$ (11,691,095)</u>	<u>\$ 5,131,278</u>	<u>\$ 16,822,373</u>

DEBT SERVICE FUND

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 43,083	\$ 43,083
Property taxes		2,421,011	2,421,011
Federal aid, grants and reimbursements		212,578	212,578
Total revenues		<u>2,676,672</u>	<u>2,676,672</u>
Expenditures:			
Debt service -			
Principal retirement	1,910,000	1,910,000	
Interest and fiscal charges	928,893	931,243	(2,350)
Total expenditures	<u>2,838,893</u>	<u>2,841,243</u>	<u>(2,350)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,838,893)</u>	<u>(164,571)</u>	<u>2,674,322</u>
Other financing sources (uses):			
Transfers in		37,741	37,741
Total other financing sources (uses)		<u>37,741</u>	<u>37,741</u>
Changes in fund balances	<u>(2,838,893)</u>	<u>(126,830)</u>	<u>2,712,063</u>
Fund balances, beginning of year, as restated		610,076	610,076
Fund balances (deficits), end of year	<u>\$ (2,838,893)</u>	<u>\$ 483,246</u>	<u>\$ 3,322,139</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, 2020

	<u>Bond Building</u>	<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 988,774	\$ 876,557	\$ 199,124
Accounts receivable		13,000	
Due from governmental entities			
Total assets	<u><u>\$ 988,774</u></u>	<u><u>\$ 889,557</u></u>	<u><u>\$ 199,124</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$ 29,191	\$ 101,825	\$
Due to other funds			
Total liabilities	<u><u>29,191</u></u>	<u><u>101,825</u></u>	<u><u></u></u>
Fund balances:			
Restricted	<u>959,583</u>	<u>787,732</u>	<u>199,124</u>
Total fund balances	<u><u>959,583</u></u>	<u><u>787,732</u></u>	<u><u>199,124</u></u>
Total liabilities and fund balances	<u><u>\$ 988,774</u></u>	<u><u>\$ 889,557</u></u>	<u><u>\$ 199,124</u></u>

Emergency Deficiencies Correction	Building Renewal Grant	Totals
\$ 2,079	\$	\$ 2,066,534
		13,000
	2,601	2,601
<u>\$ 2,079</u>	<u>\$ 2,601</u>	<u>\$ 2,082,135</u>
\$	\$	\$ 131,016
	1,940	1,940
	<u>1,940</u>	<u>132,956</u>
<u>2,079</u>	<u>661</u>	<u>1,949,179</u>
<u>2,079</u>	<u>661</u>	<u>1,949,179</u>
<u>\$ 2,079</u>	<u>\$ 2,601</u>	<u>\$ 2,082,135</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, 2020

	<u>Bond Building</u>	<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>
Revenues:			
Other local	\$ 37,741	\$ 195,003	\$
State aid and grants			
Total revenues	<u>37,741</u>	<u>195,003</u>	<u></u>
Expenditures:			
Capital outlay	5,892,879	243,668	
Debt service -			
Principal retirement			148,797
Interest and fiscal charges			50,327
Bond issuance costs	51,191		
Total expenditures	<u>5,944,070</u>	<u>243,668</u>	<u>199,124</u>
Excess (deficiency) of revenues over expenditures	<u>(5,906,329)</u>	<u>(48,665)</u>	<u>(199,124)</u>
Other financing sources (uses):			
Transfers in			199,124
Transfers out	(37,741)		
Issuance of school improvement bonds	2,950,000		
Premium on sale of bonds	21,476		
Total other financing sources (uses)	<u>2,933,735</u>	<u></u>	<u>199,124</u>
Changes in fund balances	<u>(2,972,594)</u>	<u>(48,665)</u>	<u></u>
Fund balances, beginning of year	3,932,177	836,397	199,124
Fund balances, end of year	<u>\$ 959,583</u>	<u>\$ 787,732</u>	<u>\$ 199,124</u>

Emergency Deficiencies Correction	Building Renewal Grant	Totals
\$ 40	\$ 620	\$ 233,404
	196,115	196,115
<u>40</u>	<u>196,735</u>	<u>429,519</u>
	251,127	6,387,674
		148,797
		50,327
		51,191
	<u>251,127</u>	<u>6,637,989</u>
<u>40</u>	<u>(54,392)</u>	<u>(6,208,470)</u>
		199,124
		(37,741)
		2,950,000
		21,476
		<u>3,132,859</u>
<u>40</u>	<u>(54,392)</u>	<u>(3,075,611)</u>
2,039	55,053	5,024,790
<u>\$ 2,079</u>	<u>\$ 661</u>	<u>\$ 1,949,179</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, 2020

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 174,982	\$ 174,982
Property taxes		2,595,176	2,595,176
State aid and grants		1,167,115	1,167,115
Total revenues		<u>3,937,273</u>	<u>3,937,273</u>
Expenditures:			
Capital outlay	5,647,811	4,719,872	927,939
Debt service -			
Principal retirement		129,289	(129,289)
Interest and fiscal charges		7,626	(7,626)
Bond issuance costs			
Total expenditures	<u>5,647,811</u>	<u>4,856,787</u>	<u>791,024</u>
Excess (deficiency) of revenues over expenditures	<u>(5,647,811)</u>	<u>(919,514)</u>	<u>4,728,297</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,647,811)</u>	<u>(919,514)</u>	<u>4,728,297</u>
Fund balances, beginning of year		1,710,530	1,710,530
Fund balances (deficits), end of year	<u>\$ (5,647,811)</u>	<u>\$ 791,016</u>	<u>\$ 6,438,827</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 23,134 849,074	\$ 23,134 849,074	\$	\$ 37,741	\$ 37,741
	<u>872,208</u>	<u>872,208</u>		<u>37,741</u>	<u>37,741</u>
2,309,457	67,959	2,241,498	6,805,106	5,892,879	912,227
<u>2,309,457</u>	<u>67,959</u>	<u>2,241,498</u>	<u>6,805,106</u>	<u>51,191</u> <u>5,944,070</u>	<u>(51,191)</u> <u>861,036</u>
<u>(2,309,457)</u>	<u>804,249</u>	<u>3,113,706</u>	<u>(6,805,106)</u>	<u>(5,906,329)</u>	<u>898,777</u>
				(37,741)	(37,741)
				2,950,000	2,950,000
				21,476	21,476
				<u>2,933,735</u>	<u>2,933,735</u>
<u>(2,309,457)</u>	<u>804,249</u>	<u>3,113,706</u>	<u>(6,805,106)</u>	<u>(2,972,594)</u>	<u>3,832,512</u>
	1,448,812	1,448,812		3,932,177	3,932,177
<u>\$ (2,309,457)</u>	<u>\$ 2,253,061</u>	<u>\$ 4,562,518</u>	<u>\$ (6,805,106)</u>	<u>\$ 959,583</u>	<u>\$ 7,764,689</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, 2020

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 195,003	\$ 195,003
Property taxes			
State aid and grants			
Total revenues		195,003	195,003
Expenditures:			
Capital outlay	966,701	243,668	723,033
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	966,701	243,668	723,033
Excess (deficiency) of revenues over expenditures	(966,701)	(48,665)	918,036
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(966,701)	(48,665)	918,036
Fund balances, beginning of year		836,397	836,397
Fund balances (deficits), end of year	\$ (966,701)	\$ 787,732	\$ 1,754,433

Energy and Water Savings			Emergency Deficiencies Correction		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 40	\$ 40
				40	40
398,249	148,797 50,327	249,452 (50,327)			
398,249	199,124	199,125			
(398,249)	(199,124)	199,125		40	40
	199,124	199,124			
	199,124	199,124			
(398,249)		398,249		40	40
	199,124	199,124		2,039	2,039
\$ (398,249)	\$ 199,124	\$ 597,373	\$	\$ 2,079	\$ 2,079

(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, 2020

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 620	\$ 620
Property taxes			
State aid and grants		196,115	196,115
Total revenues		<u>196,735</u>	<u>196,735</u>
Expenditures:			
Capital outlay	251,139	251,127	12
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>251,139</u>	<u>251,127</u>	<u>12</u>
Excess (deficiency) of revenues over expenditures	<u>(251,139)</u>	<u>(54,392)</u>	<u>196,747</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(251,139)</u>	<u>(54,392)</u>	<u>196,747</u>
Fund balances, beginning of year		55,053	55,053
Fund balances (deficits), end of year	<u>\$ (251,139)</u>	<u>\$ 661</u>	<u>\$ 251,800</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 431,520	\$ 431,520
	3,444,250	3,444,250
	1,363,230	1,363,230
	<u>5,239,000</u>	<u>5,239,000</u>
15,980,214	11,175,505	4,804,709
398,249	278,086	120,163
	57,953	(57,953)
	51,191	(51,191)
<u>16,378,463</u>	<u>11,562,735</u>	<u>4,815,728</u>
<u>(16,378,463)</u>	<u>(6,323,735)</u>	<u>10,054,728</u>
	199,124	199,124
	(37,741)	(37,741)
	2,950,000	2,950,000
	21,476	21,476
	<u>3,132,859</u>	<u>3,132,859</u>
<u>(16,378,463)</u>	<u>(3,190,876)</u>	<u>13,187,587</u>
	8,184,132	8,184,132
<u>\$ (16,378,463)</u>	<u>\$ 4,993,256</u>	<u>\$ 21,371,719</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 56,313,462	\$ 54,663,649	\$ 54,284,981	\$ 55,002,861	\$ 53,316,103
Restricted	9,256,546	7,660,471	8,465,090	5,821,136	7,095,095
Unrestricted	(27,912,254)	(24,133,528)	(29,328,719)	(30,960,414)	(30,772,236)
Total net position	<u>\$ 37,657,754</u>	<u>\$ 38,190,592</u>	<u>\$ 33,421,352</u>	<u>\$ 29,863,583</u>	<u>\$ 29,638,962</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 54,510,270	\$ 54,642,657	\$ 54,943,512	\$ 55,256,201	\$ 55,214,369
Restricted	6,484,625	6,437,446	4,780,727	6,093,331	8,176,072
Unrestricted	(30,368,781)	6,445,823	5,852,856	4,972,943	6,165,272
Total net position	<u>\$ 30,626,114</u>	<u>\$ 67,525,926</u>	<u>\$ 65,577,095</u>	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 30,572,464	\$ 25,459,688	\$ 23,382,170	\$ 23,799,099	\$ 24,800,192
Support services - students and staff	8,256,769	6,684,359	6,388,519	6,436,126	6,576,747
Support services - administration	6,701,801	5,613,793	5,022,793	5,347,981	4,867,489
Operation and maintenance of plant services	4,415,197	4,000,697	3,786,287	3,797,582	3,555,273
Student transportation services	2,643,820	2,100,998	1,893,209	1,767,152	1,854,233
Operation of non-instructional services	5,047,938	4,968,174	4,654,832	4,708,568	3,649,787
Interest on long-term debt	1,050,556	988,854	893,913	878,066	963,926
Total expenses	<u>58,688,545</u>	<u>49,816,563</u>	<u>46,021,723</u>	<u>46,734,574</u>	<u>46,267,647</u>
Program Revenues					
Charges for services:					
Instruction	399,096	201,168	147,972	266,007	308,993
Operation of non-instructional services	472,620	560,625	546,913	456,641	335,439
Other activities	210,135	256,852	257,972	182,132	293,180
Operating grants and contributions	7,584,157	8,078,792	7,081,956	7,054,231	7,108,886
Capital grants and contributions	298,977	718,949	402,609	735,730	165,115
Total program revenues	<u>8,964,985</u>	<u>9,816,386</u>	<u>8,437,422</u>	<u>8,694,741</u>	<u>8,211,613</u>
Net (Expense)/Revenue	<u>\$ (49,723,560)</u>	<u>\$ (40,000,177)</u>	<u>\$ (37,584,301)</u>	<u>\$ (38,039,833)</u>	<u>\$ (38,056,034)</u>

(Continued)

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

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

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (49,723,560)	\$ (40,000,177)	\$ (37,584,301)	\$ (38,039,833)	\$ (38,056,034)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	11,369,376	10,852,835	10,467,740	7,732,091	7,108,266
Property taxes, levied for debt service	2,477,451	2,330,546	2,386,442	2,485,058	1,998,249
Property taxes, levied for capital outlay	792,076	588,862	593,809	2,616,794	3,234,647
Investment income	266,983	262,092	100,413	55,858	82,812
Unrestricted county aid	2,621,782	2,547,818	2,469,462	2,224,802	2,094,375
Unrestricted state aid	31,194,024	28,012,345	24,934,749	22,838,761	22,281,981
Unrestricted federal aid	310,628	174,919	183,259	311,090	268,552
Total general revenues	<u>49,032,320</u>	<u>44,769,417</u>	<u>41,135,874</u>	<u>38,264,454</u>	<u>37,068,882</u>
Changes in Net Position	<u>\$ (691,240)</u>	<u>\$ 4,769,240</u>	<u>\$ 3,551,573</u>	<u>\$ 224,621</u>	<u>\$ (987,152)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (38,810,593)	\$ (33,932,119)	\$ (31,725,235)	\$ (31,602,132)	\$ (26,274,577)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,391,205	9,609,885	8,365,772	6,223,517	7,475,059
Property taxes, levied for debt service	1,934,012	1,985,130	1,187,785	3,077,036	2,967,448
Property taxes, levied for capital outlay	391,958	442,848	377,890		115,017
Investment income	35,223	34,573	53,547	73,013	188,897
Unrestricted county aid	2,079,064	2,006,377	1,813,870	1,751,852	1,746,005
Unrestricted state aid	22,493,033	21,689,531	19,031,022	17,243,476	17,151,308
Unrestricted federal aid	179,069	112,606	149,969		204,011
Total general revenues	<u>37,503,564</u>	<u>35,880,950</u>	<u>30,979,855</u>	<u>28,368,894</u>	<u>29,847,745</u>
Changes in Net Position	<u>\$ (1,307,029)</u>	<u>\$ 1,948,831</u>	<u>\$ (745,380)</u>	<u>\$ (3,233,238)</u>	<u>\$ 3,573,168</u>

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

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nondisposable	\$ 557,010	\$ 77,981	\$ 50,193	\$ 57,700	\$
Restricted	791,016	1,710,530	687,336	210,670	1,714,999
Unassigned	5,973,283	5,732,708	5,339,294	5,080,428	5,300,808
Total General Fund	<u>\$ 7,321,309</u>	<u>\$ 7,521,219</u>	<u>\$ 6,076,823</u>	<u>\$ 5,348,798</u>	<u>\$ 7,015,807</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$
Restricted	9,204,788	11,164,884	11,278,181	7,719,313	5,156,526
Unassigned	(1,039,504)	(197,574)	(101,428)	(26)	
Total all other governmental funds	<u>\$ 8,165,284</u>	<u>\$ 10,967,310</u>	<u>\$ 11,176,753</u>	<u>\$ 7,719,287</u>	<u>\$ 5,156,526</u>

(Continued)

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

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

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

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 3,583,539	\$ 3,289,280	\$ 2,869,395	\$ 3,538,301	\$ 3,341,620
National School Lunch Program	4,488,805	4,560,165	4,193,258	4,176,317	3,825,325
Total federal sources	<u>8,072,344</u>	<u>7,849,445</u>	<u>7,062,653</u>	<u>7,714,618</u>	<u>7,166,945</u>
State sources:					
State equalization assistance	27,652,969	24,787,458	22,073,027	20,645,967	20,085,240
State grants	374,178	95,025	106,399	34,771	13,503
School Facilities Board	196,115	386,006	5,080	266,436	
Other revenues	3,344,940	3,224,887	2,861,722	2,192,794	2,196,741
Total state sources	<u>31,568,202</u>	<u>28,493,376</u>	<u>25,046,228</u>	<u>23,139,968</u>	<u>22,295,484</u>
Local sources:					
Property taxes	14,876,797	13,808,390	13,475,453	12,917,411	12,475,137
County aid	2,621,782	2,547,818	2,469,462	2,224,802	2,094,375
Food service sales	450,868	560,625	535,267	456,641	334,114
Investment income	266,983	262,092	100,413	55,858	82,812
Other revenues	662,291	738,775	781,476	734,441	642,209
Total local sources	<u>18,878,721</u>	<u>17,917,700</u>	<u>17,362,071</u>	<u>16,389,153</u>	<u>15,628,647</u>
Total revenues	<u><u>\$ 58,519,267</u></u>	<u><u>\$ 54,260,521</u></u>	<u><u>\$ 49,470,952</u></u>	<u><u>\$ 47,243,739</u></u>	<u><u>\$ 45,091,076</u></u>

(Continued)

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

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

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

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 26,064,298	\$ 24,377,167	\$ 21,322,962	\$ 20,676,769	\$ 20,234,887
Support services - students and staff	7,824,834	7,002,780	6,510,832	6,154,941	5,952,268
Support services - administration	5,720,387	5,385,859	4,578,367	4,887,361	4,190,570
Operation and maintenance of plant services	4,185,850	3,736,402	3,537,682	3,590,342	3,181,678
Student transportation services	1,779,325	1,694,019	1,450,378	1,436,582	1,278,064
Operation of non-instructional services	4,847,103	4,863,087	4,532,694	4,602,476	3,527,579
Capital outlay	11,484,595	4,347,528	6,489,674	4,809,375	14,652,734
Debt service -					
Interest and fiscal charges	989,196	1,022,504	927,563	930,886	1,016,745
Principal retirement	2,188,086	2,034,657	1,685,912	1,692,727	1,620,146
Bond issuance costs	51,191	42,617	61,558	46,000	
Total expenditures	<u><u>\$ 65,134,865</u></u>	<u><u>\$ 54,506,620</u></u>	<u><u>\$ 51,097,622</u></u>	<u><u>\$ 48,827,459</u></u>	<u><u>\$ 55,654,671</u></u>
Expenditures for capitalized assets	\$ 8,626,941	\$ 2,713,837	\$ 4,974,159	\$ 2,968,092	\$ 10,920,526
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 20,172,488	\$ 19,476,377	\$ 17,877,491	\$ 18,795,718	\$ 17,388,184
Support services - students and staff	6,155,479	5,960,392	5,099,526	4,506,786	3,963,924
Support services - administration	4,312,939	3,796,371	3,894,780	3,754,249	3,082,871
Operation and maintenance of plant services	3,663,224	3,749,721	2,785,540	2,811,318	2,776,284
Student transportation services	1,456,182	1,390,443	1,376,310	1,248,118	1,106,115
Operation of non-instructional services	3,692,960	3,572,384	3,081,107	3,036,608	2,966,207
Capital outlay	3,634,072	4,424,509	1,971,751	5,529,938	4,784,496
Debt service -					
Interest and fiscal charges	631,050	699,503	780,290	856,210	771,960
Principal retirement	1,538,125	1,721,621	1,955,598	1,819,146	2,160,601
Bond issuance costs	224,741				253,511
Total expenditures	<u>\$ 45,481,260</u>	<u>\$ 44,791,321</u>	<u>\$ 38,822,393</u>	<u>\$ 42,358,091</u>	<u>\$ 39,254,153</u>
Expenditures for capitalized assets	\$ 1,074,517	\$ 1,888,133	\$ 586,460	\$ 3,795,463	\$ 3,203,436
Debt service as a percentage of noncapital expenditures	5%	6%	7%	7%	8%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (6,615,598)	\$ (246,099)	\$ (1,626,670)	\$ (1,583,720)	\$ (10,563,595)
Other financing sources (uses):					
General obligation bonds issued				2,390,000	
Capital lease agreements			2,020,000		
Transfers in	654,099	1,039,105	500,175	454,979	470,050
Transfers out	(654,099)	(1,039,105)	(500,175)	(454,979)	(470,050)
Insurance recoveries	4,755	44,463	49,668	31,772	
Issuance of school improvement bonds	2,971,476	2,000,000	3,750,000		
Total other financing sources (uses)	<u>2,976,231</u>	<u>2,044,463</u>	<u>5,819,668</u>	<u>2,421,772</u>	
Changes in fund balances	<u>\$ (3,639,367)</u>	<u>\$ 1,798,364</u>	<u>\$ 4,192,998</u>	<u>\$ 838,052</u>	<u>\$ (10,563,595)</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ 178,580	\$ 497,297	\$ (1,032,191)	\$ (7,064,286)	\$ (2,976,591)
Other financing sources (uses):					
General obligation bonds issued	11,860,000				7,600,000
Premium on sale of bonds	409,937				134,184
Capital lease agreements					
Transfers in	668,099	385,312	623,660	295,814	399,844
Transfers out	(668,099)	(385,312)	(623,660)	(295,814)	(399,844)
Insurance recoveries					
Issuance of school improvement bonds					
Total other financing sources (uses)	<u>12,269,937</u>	<u></u>	<u></u>	<u></u>	<u>7,734,184</u>
Changes in fund balances	<u>\$ 12,448,517</u>	<u>\$ 497,297</u>	<u>\$ (1,032,191)</u>	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 108,335,175	\$ 99,545,865	\$ 91,170,396	\$ 86,685,736	\$ 88,769,446
Agricultural and Vacant	12,705,932	11,260,485	12,111,514	12,658,186	13,257,222
Residential (Owner Occupied)	100,580,183	92,738,166	82,853,013	72,812,666	66,423,404
Residential (Rental)	49,017,531	45,570,640	44,942,993	44,055,914	43,486,628
Railroad, Private Cars and Airlines	782,534	779,834	831,381	653,099	707,976
Historical Property					23,155
Certain Government Property Improvements		33,467			
Total	<u>\$ 271,421,355</u>	<u>\$ 249,928,457</u>	<u>\$ 231,909,297</u>	<u>\$ 216,865,601</u>	<u>\$ 212,667,831</u>
Gross Full Cash Value	\$ 3,764,134,521	\$ 3,341,807,620	\$ 2,965,326,105	\$ 2,729,351,774	\$ 2,448,365,106
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	8%	8%	9%
Total Direct Rate	5.66	5.58	5.88	5.97	5.93

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

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 150,547,318	\$ 130,477,328	\$ 118,188,274	\$ 112,013,804	\$ 102,727,234
Agricultural and Vacant	22,188,927	17,827,489	18,337,984	19,039,422	16,371,305
Residential (Owner Occupied)	154,841,087	139,013,726	117,126,150	102,125,338	91,097,821
Residential (Rental)	77,030,181	70,850,652	64,303,840	60,867,572	58,786,878
Railroad, Private Cars and Airlines	969,625	942,584	970,916	699,273	721,525
Historical Property					92,620
Certain Government Property Improvements		52,958			
Total	<u>\$ 405,577,138</u>	<u>\$ 359,164,737</u>	<u>\$ 318,927,164</u>	<u>\$ 294,745,409</u>	<u>\$ 269,797,383</u>
Gross Full Cash Value	\$ 3,764,134,521	3,341,807,620	2,965,326,105	2,729,351,774	2,448,365,106
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	3,208,029,267	2,862,169,827	2,965,326,105	2,307,734,253	2,081,962,044
Total Direct Rate	5.66	5.58	5.88	5.97	5.93

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 92,418,862	\$ 91,848,309	\$ 108,164,053	\$ 119,117,533	\$ 141,276,550
Agricultural and Vacant	14,516,444	16,597,784	18,146,283	23,464,063	39,828,347
Residential (Owner Occupied)	69,217,449	58,127,943	70,948,949	79,542,254	104,686,686
Residential (Rental)	45,525,827	36,827,465	31,109,955	31,962,749	38,183,041
Railroad, Private Cars and Airlines	758,920	681,266	641,785	579,194	593,515
Historical Property	101,916	111,531	129,655	148,545	
Certain Government Property Improvements	59,574				
Total	<u>\$ 222,598,992</u>	<u>\$ 204,194,298</u>	<u>\$ 229,140,680</u>	<u>\$ 254,814,338</u>	<u>\$ 324,568,139</u>
Gross Full Cash Value	\$ 2,026,208,346	1,818,863,601	1,968,364,551	2,153,625,406	2,686,378,396
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	12%	12%	12%
Estimated Net Full Cash Value	1,664,704,689	1,469,587,053	1,622,044,631	1,804,723,276	2,287,784,839
Total Direct Rate	5.90	5.98	4.38	3.80	3.47

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	16	15	15	15	17

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 District	Control District	Conservation District	City of Avondale	City of Tolleson	High School District No. 214	Primary	Secondary	Total
2020	0.46	1.40	1.33	0.18	0.14	1.65	3.72	5.01	2.24	3.42	5.66
2019	0.47	1.40	1.38	0.18	0.14	1.76	3.83	4.45	2.20	3.38	5.58
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

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

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

Taxpayer	2020			2011	
	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.	\$ 11,758,489	4.33 %		\$ 16,986,013	5.23 %
Phoenix Speedway Corp	9,552,925	3.52		8,385,956	2.58
J & J Coldwater LLC	7,921,317	2.92			
Arizona Public Service Company	7,771,700	2.86		3,568,878	1.10
SVC Manufacturing, Inc.	7,632,122	2.81		12,043,414	3.71
AZEJM Land Holdings/Oxnard Commerceplex LLC	4,376,889	1.61		5,249,991	1.62
Avondale Commerce LLC	3,590,987	1.32			
Mechanic (AZ) QRD 15-41, Inc.	3,420,581	1.26		4,957,827	1.53
Crystal Springs Apartments LLC	3,313,343	1.22			
MCRT2 Avondale LLC	2,756,768	1.02			
DH Ventures LLC				4,873,154	1.50
Avondale Commerce Center Phase I LLC				4,090,680	1.26
Avondale Commerce Center Phase II LLC				4,058,121	1.25
May-Brownward Investment Co.				3,574,532	1.10
Total	<u>\$ 62,095,121</u>	<u>22.87 %</u>		<u>\$ 67,788,566</u>	<u>20.88 %</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
2020	\$ 15,395,349	\$ 14,926,252	96.95 %	\$	\$ 14,926,252	96.95 %
2019	14,044,116	13,637,320	97.10	399,293	14,036,613	99.95
2018	13,692,709	13,264,299	96.87	423,749	13,688,048	99.97
2017	12,252,638	11,856,051	96.76	394,312	12,250,363	99.98
2016	12,519,102	12,297,642	98.23	219,318	12,516,960	99.98
2015	12,761,428	12,344,821	96.74	414,119	12,758,940	99.98
2014	12,144,131	11,777,361	96.98	365,348	12,142,709	99.99
2013	9,944,964	9,564,004	96.17	379,662	9,943,666	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

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 Restricted for Principal		Estimated Actual Value (Full Cash Value)				Estimated Actual Value (Full Cash Value)			
2020	\$ 27,181,067	\$ 605,343	\$ 26,575,724	0.72 %	\$ 602	\$ 1,726,295	\$ 28,907,362	0.77 %	\$ 640	0.01 %	
2019	26,034,718	639,408	25,395,310	0.78	594	2,004,381	28,039,099	0.84	640	0.01	
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	11.66	600	557,823	24,765,480	11.93	614	0.01	
2014	13,607,765	254,616	13,353,149	6.75	314	645,948	14,253,713	7.07	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	

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, 2020

<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	\$ 380,740,000	1.00 %	\$ 3,807,400
City of Avondale	44,795,000	0.01	4,344
City of Goodyear	18,550,000	0.02	3,700
City of Phoenix	97,065,000	0.31	297,433
City of Tolleson	18,798,871	0.01	1,333
Western Maricopa Education Center	126,600,000	0.37	463,543
Tolleson Union High School District No. 214	72,210,000	0.04	29,063
Subtotal, Overlapping Debt			<u>4,606,816</u>
Direct:			
Littleton Elementary School District No. 65			<u>28,907,362</u>
Total Direct and Overlapping Debt			<u><u>\$ 33,514,178</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	9.79	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 691	
As a Percentage of Net Limited Assessed Valuation	11.49	%
As a Percentage of Gross Full Cash Value	0.71	%

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) Outstanding debt as of June 30, 2018 is presented for the overlapping governments as this is the most recent available information.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 405,577,138
Debt limit (10% of assessed value)	40,557,714
Debt applicable to limit	<u>26,885,000</u>
Legal debt margin	<u>\$ 13,672,714</u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 405,577,138
Debt limit (15% of assessed value)	60,836,571
Debt applicable to limit	<u>26,885,000</u>
Legal debt margin	<u>\$ 33,951,571</u>

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 60,836,571	\$ 53,874,711	\$ 47,839,075	\$ 44,211,811	\$ 40,469,607
Total net debt applicable to limit	<u>26,885,000</u>	<u>25,705,000</u>	<u>25,280,000</u>	<u>23,120,000</u>	<u>22,255,000</u>
Legal debt margin	<u>\$ 33,951,571</u>	<u>\$ 28,169,711</u>	<u>\$ 22,559,075</u>	<u>\$ 21,091,811</u>	<u>\$ 18,214,607</u>
Total net debt applicable to the limit as a percentage of debt limit	44%	48%	53%	52%	55%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 33,389,849	\$ 30,629,145	\$ 34,371,102	\$ 38,222,151	\$ 48,685,221
Total net debt applicable to limit	<u>24,207,657</u>	<u>13,607,765</u>	<u>15,365,000</u>	<u>17,050,000</u>	<u>19,085,000</u>
Legal debt margin	<u>\$ 9,182,192</u>	<u>\$ 17,021,380</u>	<u>\$ 19,006,102</u>	<u>\$ 21,172,151</u>	<u>\$ 29,600,221</u>
Total net debt applicable to the limit as a percentage of debt limit	73%	44%	45%	45%	39%

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
2019	4,367,835	\$ 210,370,180	\$ 47,694	3.6 %	45,154
2018	4,294,460	210,370,180	40,415	4.1	43,828
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

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, 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	2020			2011		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
State of Arizona	41,847	1.46	%	49,282	2.91	%
Wal-Mart Stores, Inc.	33,460	1.17		30,608	1.81	
Banner Health	47,000	1.64		28,220	1.67	
City of Phoenix	14,858	0.52		15,544	0.92	
Wells Fargo	17,217	0.60		13,000	0.77	
Apollo Group Inc.				13,000	0.77	
Maricopa County	13,933	0.49		12,458	0.74	
Arizona State University	35,730	1.25		12,221	0.72	
Bank of America				12,000	0.71	
Intel Corp.	12,190	0.43		9,700	0.57	
Fry's Food Stores	21,738	0.76				
University of Arizona	20,462	0.71				
Total	258,435	9.03	%	196,033	11.59	%
Total employment	2,866,820			1,692,300		

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

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendent/principals	8	8	8	8	8
Assistant principals	7	7	7	6	6
Total supervisory	<u>15</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>
Instruction					
Teachers	290	342	332	325	293
Other professionals (instructional)	12	21	21	36	24
Aides	94	92	81	76	83
Total instruction	<u>396</u>	<u>455</u>	<u>434</u>	<u>437</u>	<u>400</u>
Support and Administration					
Managers	16	16	16	17	10
Other classified	127	141	146	148	93
Total support and administration	<u>143</u>	<u>157</u>	<u>162</u>	<u>165</u>	<u>103</u>
Total	<u><u>554</u></u>	<u><u>627</u></u>	<u><u>611</u></u>	<u><u>616</u></u>	<u><u>517</u></u>

(Continued)

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

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

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
2020	5,838	\$ 50,421,797	\$ 8,637	3.66 %	\$ 58,688,545	\$ 10,053	13.98 %	290	20.1	78.9 %
2019	5,648	47,059,314	8,332	11.25	49,816,563	8,820	7.31	342	16.5	78.0
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

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>2020</u>	<u>2019</u>	<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>Schools</u>										
Elementary										
Buildings	28	28	28	27	25	25	25	25	25	25
Square feet	678,804	678,804	678,804	658,092	586,505	586,505	586,505	586,505	586,505	576,739
Capacity	8,260	8,260	8,260	7,882	7,261	7,261	7,261	7,261	7,261	7,261
Enrollment	6,340	6,218	6,113	5,903	5,607	5,607	5,623	5,079	4,860	4,817
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	44,687	44,687	44,687	44,678	44,678	44,678	44,678	44,678	44,678	44,678
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	31	29	26	25	25	25	25	25	25	25

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

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