
Littleton Elementary School District No. 65

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Littleton Elementary School District No. 65

Avondale, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

Issued by:
Business and Finance Department

Littleton Elementary School District No. 65

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Introductory Section

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December 27, 2023

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, 2023.

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 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, 2023, 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, 2023, 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 Business Academy (623) 478-5900 www.coes.littletonaz.org | Country Place Leadership Academy (623) 478-6100 www.cpes.littletonaz.org | Estrella Vista STEM Academy (623) 478-6200 www.eves.littletonaz.org | Fine Arts Academy (623) 478-6400 www.faes.littletonaz.org | Lakin Prep Academy (623) 478-6500 www.lpes.littletonaz.org |
| Littleton STEM Academy (623) 478-5700 www.lnes.littletonaz.org | LESOnline Academy (623) 478-5805 www.littletonaz.org/LESOnline | Quentin STEM Academy (623) 478-6000 www.ques.littletonaz.org | Tres Rios Service Academy (623) 478-6300 www.tres.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 Report.

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 average daily membership of 5,490.

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 south 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 2020 Census was 89,334.

Due to the District's close proximity to the Phoenix Metropolitan area and its strategic location on the I-10 corridor, it is included in the westward expansion of the city. Although agriculture has been the economic mainstay of the area for many years, the attraction of commerce, light manufacturing and residential development are contributing to the District's growth and economic diversity. Home building over the last decade within the District boundaries saw a steady increase with a few stagnant years due to the recession. Home building is again on the rise with new communities as well as resurgence of communities that had fallen dormant during the downturn of the economy. This growth affected student population and since 2002 enrollment increased from 1,367 to the current enrollment of 5,490 students membership.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have overexpenditures of budgeted funds 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.

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 can 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 auto mall (Avondale Auto mall), 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 including a major planned area of development. 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. The Phoenix metropolitan area has also taken major strides in improving infrastructure in the surrounding area by opening the Loop 303 which serves as a bypass for downtown Phoenix and the Loop 202 expansion which has redistributed congestion on the I-10 Corridor.

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, Kroger/Fry's 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 in the south-central portion of Arizona and encompasses an area of approximately 9,224 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. Maricopa County added 56,831 residents last year, a gain of 1.3% from 2022. Our population is now approximately 4.6 million and projected 6 million by 2030. Maricopa County remains the fourth largest county by population 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, Fine Arts Academy, in July 2016 and suspended enrollment an existing middle school, Underdown in 2008, as the District adopted a new vision to have all schools be kindergarten through 8th grade. The campus serves limited student services and 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.

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. Voters' approved in the 2021 election, \$15 million bond funds would be used to enhance student safety, enhance energy efficiency, purchase student technology, provide needed building improvements and to complete a new K-8 campus: Construction began in 2022 in the Alamar community that opened to students in Fall of 2023. Every school will see improvements and will benefit from the technology upgrades.

Like many Districts across the nation, Littleton transitioned to a distance learning model in March 2020 due to the COVID-19 pandemic. The District was forced to adapt to the changing environment throughout the educational process. Technology was purchased to ensure every student had access to online curriculum, food pickups were organized to ensure students did not go hungry, and support staff was retained and repurposed to ensure students and teachers had the necessary support. Due to feedback received from students, parents, and the community, the District expects to see a number of students elect for a distance learning experience as long as there is uncertainty with the pandemic. The District is sensitive to how student choice to remain online will affect the budget in the future. Conservative enrollment growth estimates indicated that a three to four percent growth rate will continue for the next six to eight years. However, the District is reviewing growth projections due to the pandemic and determining how to best market online learning to the current community and Arizona as a whole.

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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 15th 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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, 2023, certificates.

Acknowledgements. The preparation of the annual comprehensive 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,

A handwritten signature in black ink, appearing to read 'R. Freeman', with a stylized flourish at the end.

Roger S. Freeman, Ed.D.
Superintendent

A handwritten signature in black ink, appearing to read 'R. French', with a stylized flourish at the end.

Ryan French
Chief Operations Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Littleton Elementary School District 65

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a horizontal line underneath.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a horizontal line underneath.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

COMMUNITY

GOVERNING BOARD

SUPERINTENDENT

Executive Assistant

CHIEF ACADEMIC OFFICER

CHIEF OPERATIONS OFFICER

Executive Director of School Leadership

Executive Director of School Support

Human Resources Director

Director of Exceptional Students

Director of State/Federal Programs & Assessment

Director of Curriculum & Instruction

Principals

Director of Information Technology & Integration

Director of Facilities & Operations

Director of Finance

Employment & COVID Supervisors

Psychologists

Exceptional Students Specialists

State/Federal Programs & Assessment Specialists

Curriculum, Instruction & Staff Development Specialists

Assistant Principals
Deans & Athletics

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

Technology Integration Specialists

Data Projects
Technicians
Help Desk
Central Enrollment & Welcome Center

Community Relations Coordinator

Public Relations & Reception

Maintenance Lead
Skilled Trades
General Maintenance,
Lead Custodians,
& Groundskeepers

Transportation Coordinator

Mechanics,
Bus Drivers,
& Bus Monitors
Courier

Compensation & Benefits Coordinator

Payroll Specialist

Sr. Warehouse Receiving

Accounting Specialists

Accounts Payable, Buyer

Food Services & Food Services Accounting

Last Approved
10-Jan-2023

LEADERS
IN LEARNING, CARING, AND GROWING

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

Littleton Elementary School District No. 65

List of Principal Officials

Governing Board

Kathy Reyes, President

Amy Soucinek, Vice President

Rachel Barnett, Member

Markus Cenicerros, Member

Sara Contreras, Member

Administrative Staff

Roger S. Freeman, Ed.D., Superintendent

Ryan French, Chief Operations Officer

Dr. Lisa Haid, Chief Academic Officer

Sue Garrison, Executive Director of School Support

Kristen VandeWater, 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 Audit of Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Littleton Elementary School District No. 65 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, 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.
Scottsdale, Arizona
December 27, 2023

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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, 2023

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, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$15.3 million which represents a 29 percent increase from the prior fiscal year primarily due to increased state aid resulting from an increase in base level funding.
- General revenues accounted for \$58.6 million in revenue, or 74 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$21.0 million or 26 percent of total current fiscal year revenues.
- The District had approximately \$64.2 million in expenses related to governmental activities, an increase of six percent from the prior fiscal year primarily due to inflation and compensation increases.
- Among major funds, the General Fund had \$49.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$39.3 million in expenditures. The General Fund's fund balance increased from \$12.2 million at the prior fiscal year end to \$22.9 million at the end of the current fiscal year primarily due to an increase of the allocation of state aid and position savings.

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, 2023

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, 2023

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and a major Special Revenue 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 \$67.8 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, 2023

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

| | As of June 30, 2023 | As of June 30, 2022 |
|----------------------------------|------------------------|------------------------|
| Current and other assets | \$ 50,859,398 | \$ 58,741,921 |
| Capital assets, net | 119,154,414 | 90,653,509 |
| Total assets | <u>170,013,812</u> | <u>149,395,430</u> |
| Deferred outflows | <u>6,299,730</u> | <u>9,347,344</u> |
| Current and other liabilities | 10,824,623 | 4,092,091 |
| Long-term liabilities | 96,168,834 | 90,950,438 |
| Total liabilities | <u>106,993,457</u> | <u>95,042,529</u> |
| Deferred inflows | <u>1,479,077</u> | <u>11,206,269</u> |
| Net position: | | |
| Net investment in capital assets | 68,391,888 | 63,560,420 |
| Restricted | 23,692,277 | 17,088,358 |
| Unrestricted | <u>(24,243,157)</u> | <u>(28,154,802)</u> |
| Total net position | <u>\$ 67,841,008</u> | <u>\$ 52,493,976</u> |

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$24.2 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 \$2.7 million of bonds.
- Accumulated depreciation increased \$3.0 million.
- The net pension liability increased \$8.0 million.

Littleton Elementary School District No. 65
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

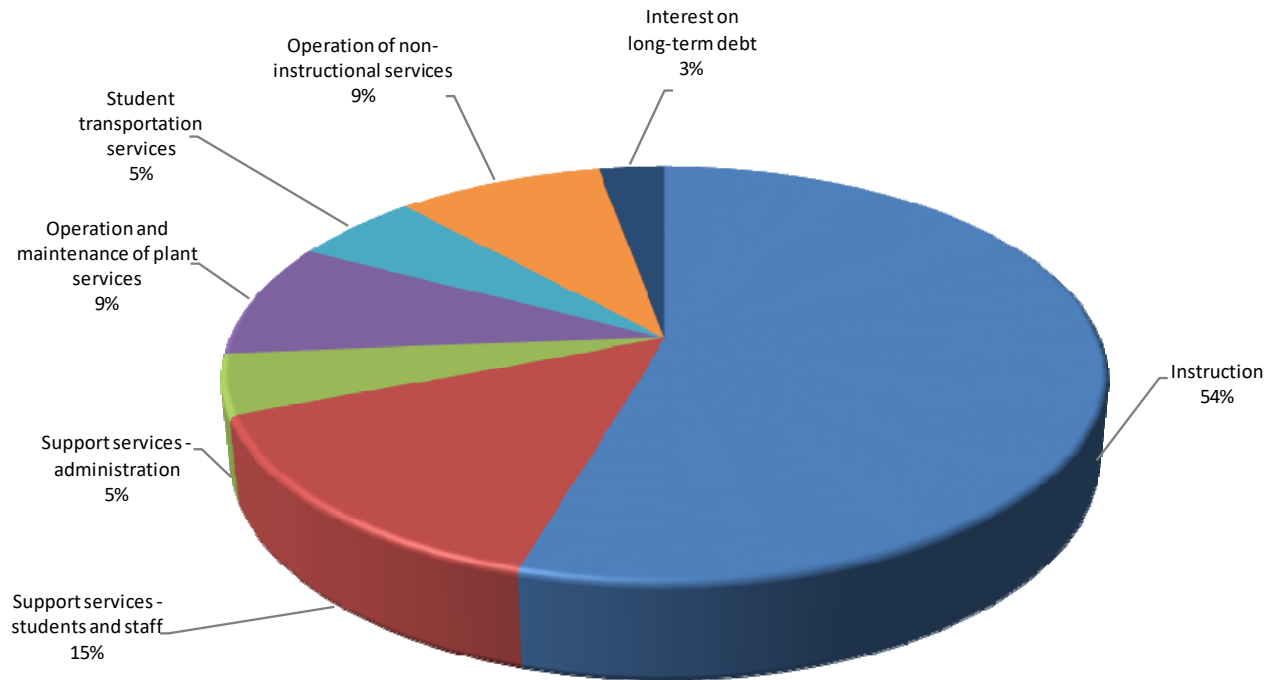
Changes in net position. The total revenues for the current fiscal year were \$79.6 million. The total cost of all programs and services was \$64.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

| | Fiscal Year Ended June 30, 2023 | Fiscal Year Ended June 30, 2022 |
|---|---------------------------------------|---------------------------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 2,524,607 | \$ 692,451 |
| Operating grants and contributions | 16,392,142 | 14,555,639 |
| Capital grants and contributions | 2,065,520 | 2,684,843 |
| General revenues: | | |
| Property taxes | 17,345,175 | 16,488,058 |
| Investment income | 717,178 | 209,035 |
| Unrestricted county aid | | 2,668,941 |
| Unrestricted state aid | 40,035,817 | 32,109,648 |
| Unrestricted federal aid | 484,304 | 505,613 |
| Total revenues | <u>79,564,743</u> | <u>69,914,228</u> |
| Expenses: | | |
| Instruction | 35,014,806 | 32,514,720 |
| Support services - students and staff | 9,423,107 | 8,917,557 |
| Support services - administration | 2,994,183 | 6,084,722 |
| Operation and maintenance of plant services | 5,679,757 | 4,770,135 |
| Student transportation services | 3,547,415 | 2,328,797 |
| Operation of non-instructional services | 5,737,185 | 4,847,184 |
| Interest on long-term debt | 1,821,258 | 1,124,199 |
| Total expenses | <u>64,217,711</u> | <u>60,587,314</u> |
| Changes in net position | 15,347,032 | 9,326,914 |
| Net position, beginning | 52,493,976 | 43,167,062 |
| Net position, ending | <u><u>\$ 67,841,008</u></u> | <u><u>\$ 52,493,976</u></u> |

**Littleton Elementary School District No. 65
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2023



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

- Increase in unrestricted state aid of \$7.9 million due to an increase in base level funding.
- Instructional expenses increased \$2.5 million as a result of increased spending on instructional aids and materials.
- Charges for service increased \$1.8 million primarily due to the expiration of nationwide waivers in response to the COVID-19 pandemic that provided free meals to students under the Summer Food Service Program.
- Operating grants and contributions increased \$1.8 million primarily due to an increase in federal funding from COVID-19 grants.

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, 2023

Government-Wide Financial Analysis

| | Year Ended June 30, 2023 | | Year Ended June 30, 2022 | |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| | Total Expenses | Net (Expense)/ Revenue | Total Expenses | Net (Expense)/ Revenue |
| Instruction | \$ 35,014,806 | \$ (27,495,751) | \$ 32,514,720 | \$ (25,319,262) |
| Support services - students and staff | 9,423,107 | (7,130,932) | 8,917,557 | (6,529,768) |
| Support services - administration | 2,994,183 | (2,712,048) | 6,084,722 | (5,603,717) |
| Operation and maintenance of plant services | 5,679,757 | (1,257,461) | 4,770,135 | (3,562,591) |
| Student transportation services | 3,547,415 | (3,310,600) | 2,328,797 | (2,140,876) |
| Operation of non-instructional services | 5,737,185 | 290,439 | 4,847,184 | 1,488,747 |
| Interest on long-term debt | 1,821,258 | (1,619,089) | 1,124,199 | (986,914) |
| Total | <u>\$ 64,217,711</u> | <u>\$ (43,235,442)</u> | <u>\$ 60,587,314</u> | <u>\$ (42,654,381)</u> |

- The cost of all governmental activities this year was \$64.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$21.0 million.
- Net cost of governmental activities of \$43.2 million was financed by general revenues, which are made up of primarily property taxes of \$17.3 million and state and federal aid of \$40.5 million. Investment earnings accounted for \$717,178 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 \$31.5 million, a decrease of \$20.0 million due primarily to expenditures of bond proceeds to construct Alamar Elementary School.

Littleton Elementary School District No. 65
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 73 percent of the total fund balance. Approximately \$18.3 million, or 80 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$10.9 million to \$22.9 million. The General Fund revenues increased \$6.2 million primarily due to increases in state aid. Expenditures decreased \$1.4 million primarily due to position savings and the use of ESSER funds.

Fund balance of the Federal and State Grants Fund decreased \$3.2 million due to outstanding federal and state grant reimbursements.

Fund balance of the Debt Service Fund increased \$329,513.

Fund balance of the Bond Building Fund decreased \$26.7 million due to the spending of previously issued bond monies for construction of Alamar Elementary School.

Budgetary Highlights

Over the course of the year, the District did not revise the General Fund annual expenditure budget in total.

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 favorable variance of \$1.4 million in instruction expenditures was due to budgeted positions that remained unfilled during the year.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$162.2 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 \$31.5 million from the prior fiscal year, primarily due to construction of the new Alamar Elementary School. Total depreciation expense for the current fiscal year was \$3.3 million.

Littleton Elementary School District No. 65
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Capital Assets and Debt Administration

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

| | As of June 30, 2023 | As of June 30, 2022 |
|-----------------------------------|------------------------|------------------------|
| Capital assets - non-depreciable | \$ 48,504,779 | \$ 23,868,798 |
| Capital assets - depreciable, net | 70,649,635 | 66,784,711 |
| Total | <u>\$ 119,154,414</u> | <u>\$ 90,653,509</u> |

The estimated cost to complete current construction projects is \$2.4 million.

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

Debt Administration. At year-end, the District had \$51.2 million in long-term debt outstanding, \$2.3 million due within one year. Long-term debt decreased by \$3.0 million primarily due to the retirement of bonds outstanding.

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 \$83.8 million and the Class B debt limit is \$55.9 million. The District does not have any current Class B bonding capacity.

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

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward (estimated \$3.1 million).
- District student population (estimated 5,687).

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

Budgeted expenditures in the General Fund increased eight percent to \$49.8 million in fiscal year 2023-24 primarily due to an increase in estimated average daily membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 budget.

**Littleton Elementary School District No. 65
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

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, 2023

| | Governmental |
|--|-----------------------------|
| | Activities |
| Assets | |
| Current assets: | |
| Cash and investments | \$ 30,576,893 |
| Deposits | 65,519 |
| Property taxes receivable | 275,207 |
| Accounts receivable | 1,416,493 |
| Due from governmental entities | 13,865,093 |
| Prepaid items | 4,540,000 |
| Inventory | 120,193 |
| Total current assets | <u>50,859,398</u> |
| Noncurrent assets: | |
| Capital assets not being depreciated | 48,504,779 |
| Capital assets, net accumulated depreciation | 70,649,635 |
| Total noncurrent assets | <u>119,154,414</u> |
| Total assets | <u>170,013,812</u> |
| Deferred outflows of resources | |
| Pension plan items | 6,299,730 |
| Total deferred outflows of resources | <u>6,299,730</u> |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 7,119,474 |
| Accrued payroll and employee benefits | 1,254,520 |
| Unearned revenues | 1,532,499 |
| Compensated absences payable | 150,000 |
| Financed purchases payable | 165,426 |
| Bonds payable | 2,090,000 |
| Accrued interest payable | 918,130 |
| Total current liabilities | <u>13,230,049</u> |
| Noncurrent liabilities: | |
| Non-current portion of long-term obligations | 93,763,408 |
| Total noncurrent liabilities | <u>93,763,408</u> |
| Total liabilities | <u>106,993,457</u> |
| Deferred inflows of resources | |
| Pension plan items | 1,479,077 |
| Total deferred inflows of resources | <u>1,479,077</u> |
| Net position | |
| Net investment in capital assets | 68,391,888 |
| Restricted for: | |
| Instruction | 17,880,568 |
| Food service | 1,554,052 |
| Non-instructional purposes | 470,163 |
| Debt service | 728,501 |
| Capital outlay | 3,058,993 |
| Unrestricted | <u>(24,243,157)</u> |
| Total net position | <u>\$ 67,841,008</u> |

Littleton Elementary School District No. 65
Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenue | | | Net (Expense) |
|---|----------------------|-------------------------|--|--|----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and |
| | | | | | Position |
| | | | | | Governmental Activities |
| Governmental activities | | | | | |
| Instruction | \$ 35,014,806 | \$ 1,436,124 | \$ 4,212,294 | \$ 1,870,637 | \$ (27,495,751) |
| Support services - students and staff | 9,423,107 | | 2,292,175 | | (7,130,932) |
| Support services - administration | 2,994,183 | | 282,135 | | (2,712,048) |
| Operation and maintenance of plant services | 5,679,757 | 247,821 | 3,979,592 | 194,883 | (1,257,461) |
| Student transportation services | 3,547,415 | | 236,815 | | (3,310,600) |
| Operation of non-instructional services | 5,737,185 | 840,662 | 5,186,962 | | 290,439 |
| Interest on long-term debt | 1,821,258 | | 202,169 | | (1,619,089) |
| Total governmental activities | <u>\$ 64,217,711</u> | <u>\$ 2,524,607</u> | <u>\$ 16,392,142</u> | <u>\$ 2,065,520</u> | <u>(43,235,442)</u> |
| General revenues | | | | | |
| Property taxes | | | | | 17,345,175 |
| Investment income | | | | | 717,178 |
| Unrestricted state aid | | | | | 40,035,817 |
| Unrestricted federal aid | | | | | 484,304 |
| Total general revenues | | | | | <u>58,582,474</u> |
| Changes in net position | | | | | 15,347,032 |
| Net position, beginning of year | | | | | <u>52,493,976</u> |
| Net position, end of year | | | | | <u>\$ 67,841,008</u> |

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Fund Financial Statements

Littleton Elementary School District No. 65

**Balance Sheet
Governmental Funds
June 30, 2023**

| | Federal and State | | | |
|---|--------------------------|---------------------|---------------------|----------------------|
| | General | Grants | Debt Service | Bond Building |
| Assets | | | | |
| Cash and investments | \$ 10,090,584 | \$ | \$ 3,663,200 | \$ 5,369,731 |
| Deposits | | | | |
| Property taxes receivable | 215,918 | | 59,289 | |
| Due from governmental entities | 6,748,774 | 4,685,298 | 60,071 | |
| Due from other funds | 1,508,417 | | | |
| Prepaid items | 4,540,000 | | | |
| Inventory | 120,193 | | | |
| Accounts receivable | 695,121 | | | |
| Total assets | <u>\$ 23,919,007</u> | <u>\$ 4,685,298</u> | <u>\$ 3,782,560</u> | <u>\$ 5,369,731</u> |
| Liabilities | | | | |
| Accounts payable | \$ 198,833 | \$ 324,342 | \$ | \$ 4,944,606 |
| Due to other funds | | 1,508,417 | | |
| Accrued payroll and employee benefits | 641,131 | 397,704 | | |
| Unearned revenues | | 1,532,499 | | |
| Bonds payable | | | 2,090,000 | |
| Bond interest payable | | | 918,130 | |
| Total liabilities | <u>839,964</u> | <u>3,762,962</u> | <u>3,008,130</u> | <u>4,944,606</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenues - property taxes | 167,050 | | 45,929 | |
| Unavailable revenues - intergovernmental | | 4,239,775 | | |
| Total deferred inflows of resources | <u>167,050</u> | <u>4,239,775</u> | <u>45,929</u> | |
| Fund balances | | | | |
| Nonspendable | 4,660,193 | | | |
| Restricted | | | 728,501 | 425,125 |
| Unassigned | 18,251,800 | (3,317,439) | | |
| Total fund balances | <u>22,911,993</u> | <u>(3,317,439)</u> | <u>728,501</u> | <u>425,125</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 23,919,007</u> | <u>\$ 4,685,298</u> | <u>\$ 3,782,560</u> | <u>\$ 5,369,731</u> |

| Non-Major Governmental Funds | Total Governmental Funds |
|---|---|
| \$ 11,453,378 | \$ 30,576,893 |
| 65,519 | 65,519 |
| | 275,207 |
| 2,370,950 | 13,865,093 |
| | 1,508,417 |
| | 4,540,000 |
| | 120,193 |
| 721,372 | 1,416,493 |
| <u>\$ 14,611,219</u> | <u>\$ 52,367,815</u> |
| | |
| \$ 1,651,693 | \$ 7,119,474 |
| | 1,508,417 |
| 215,685 | 1,254,520 |
| | 1,532,499 |
| | 2,090,000 |
| | 918,130 |
| <u>1,867,378</u> | <u>14,423,040</u> |
| | |
| | 212,979 |
| 2,032,384 | 6,272,159 |
| <u>2,032,384</u> | <u>6,485,138</u> |
| | |
| | 4,660,193 |
| 10,711,457 | 11,865,083 |
| | 14,934,361 |
| <u>10,711,457</u> | <u>31,459,637</u> |
| | |
| <u>\$ 14,611,219</u> | <u>\$ 52,367,815</u> |

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Littleton Elementary School District No. 65
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 31,459,637**

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 | \$ 162,237,208 | |
| Less accumulated depreciation/amortization | <u>(43,082,794)</u> | |
| | | 119,154,414 |

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

| | | |
|-------------------|------------------|-----------|
| Property taxes | 212,979 | |
| Intergovernmental | <u>6,272,159</u> | |
| | | 6,485,138 |

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

| | | |
|--|--------------------|-----------|
| Deferred outflows of resources related to pensions | 6,299,730 | |
| Deferred inflows of resources related to pensions | <u>(1,479,077)</u> | |
| | | 4,820,653 |

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

| | | |
|------------------------------|---------------------|---------------------|
| Compensated absences payable | (1,950,912) | |
| Financed purchases payable | (1,255,510) | |
| Bonds payable | (47,842,141) | |
| Net pension liability | <u>(43,030,271)</u> | |
| | | <u>(94,078,834)</u> |

Net position of governmental activities **\$ 67,841,008**

Littleton Elementary School District No. 65
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

| | Federal and State | | | |
|--|----------------------|-----------------------|-------------------|---------------------|
| | General | Grants | Debt Service | Bond Building |
| Revenues | | | | |
| Other local | \$ 1,150,139 | \$ 3,518 | \$ 68,535 | \$ 287,207 |
| Property taxes | 12,736,646 | | 3,745,705 | |
| State aid and grants | 34,923,648 | 335,346 | | |
| Federal aid, grants and reimbursements | 484,304 | 6,107,809 | 202,169 | |
| Total revenues | <u>49,294,737</u> | <u>6,446,673</u> | <u>4,016,409</u> | <u>287,207</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 22,271,323 | 3,661,755 | | |
| Support services - students and staff | 6,363,058 | 2,315,940 | | |
| Support services - administration | 1,174,554 | 285,060 | | |
| Operation and maintenance of plant services | 3,635,712 | 902,276 | | |
| Student transportation services | 1,855,084 | 239,270 | | |
| Operation of non-instructional services | 193,770 | 2,346 | | |
| Capital outlay | 3,786,893 | 1,870,637 | | 26,703,869 |
| Debt service: | | | | |
| Principal retirement | | | 2,090,000 | |
| Interest and fiscal charges | | | 1,884,103 | |
| Total expenditures | <u>39,280,394</u> | <u>9,277,284</u> | <u>3,974,103</u> | <u>26,703,869</u> |
| Excess (deficiency) of revenues over expenditures | <u>10,014,343</u> | <u>(2,830,611)</u> | <u>42,306</u> | <u>(26,416,662)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 864,932 | | 287,207 | |
| Transfers out | (199,124) | (364,932) | | (287,207) |
| Insurance recoveries | 32,331 | | | |
| Proceeds from sale of capital assets | 6,280 | | | |
| Total other financing sources (uses) | <u>704,419</u> | <u>(364,932)</u> | <u>287,207</u> | <u>(287,207)</u> |
| Changes in fund balances | <u>10,718,762</u> | <u>(3,195,543)</u> | <u>329,513</u> | <u>(26,703,869)</u> |
| Fund balances, beginning of year | <u>12,193,231</u> | <u>(121,896)</u> | <u>398,988</u> | <u>27,128,994</u> |
| Fund balances, end of year | <u>\$ 22,911,993</u> | <u>\$ (3,317,439)</u> | <u>\$ 728,501</u> | <u>\$ 425,125</u> |

| Non-Major Governmental Funds | Total Governmental Funds |
|---|---|
| \$ 2,501,449 | \$ 4,010,848 |
| 800,000 | 17,282,351 |
| 4,947,052 | 40,206,046 |
| <u>5,184,640</u> | <u>11,978,922</u> |
| <u>13,433,141</u> | <u>73,478,167</u> |
| 3,049,690 | 28,982,768 |
| 220,437 | 8,899,435 |
| 86,871 | 1,546,485 |
| 115,661 | 4,653,649 |
| 5,417 | 2,099,771 |
| 5,232,943 | 5,429,059 |
| 5,351,542 | 37,712,941 |
| 161,102 | 2,251,102 |
| <u>38,022</u> | <u>1,922,125</u> |
| <u>14,261,685</u> | <u>93,497,335</u> |
| <u>(828,544)</u> | <u>(20,019,168)</u> |
| 199,124 | 1,351,263 |
| (500,000) | (1,351,263) |
| | 32,331 |
| | <u>6,280</u> |
| <u>(300,876)</u> | <u>38,611</u> |
| <u>(1,129,420)</u> | <u>(19,980,557)</u> |
| <u>11,840,877</u> | <u>51,440,194</u> |
| <u>\$ 10,711,457</u> | <u>\$ 31,459,637</u> |

Littleton Elementary School District No. 65
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds **\$ (19,980,557)**

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/amortization expense.

| | | |
|-------------------------------------|--------------------|------------|
| Expenditures for capitalized assets | \$ 31,780,284 | |
| Less current year depreciation | <u>(3,277,334)</u> | |
| | | 28,502,950 |

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

| | | |
|-------------------|------------------|-----------|
| Property taxes | 62,824 | |
| Intergovernmental | <u>5,902,678</u> | |
| | | 5,965,502 |

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.

| | | |
|--|------------------|-----------|
| Financed purchase principal retirement | 161,102 | |
| Bond principal retirement | <u>2,090,000</u> | |
| | | 2,251,102 |

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 | 3,797,410 | |
| Pension expense | <u>(5,131,186)</u> | |
| | | (1,333,776) |

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

| | | |
|-------------------------------------|------------------|----------|
| Loss on disposal of assets | (2,045) | |
| Amortization of deferred bond items | 183,330 | |
| Compensated absences | <u>(239,474)</u> | |
| | | (58,189) |

Changes in net position in governmental activities **\$ 15,347,032**

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

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, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

In addition, during the year the District consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

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 four 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.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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.

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. The District does not allocate indirect expenses to programs or functions. 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 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.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, state 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.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 and the Unrestricted Capital Outlay 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.

Federal and State Grants – The Federal and State Grants Fund accounts for financial assistance received for federal and state grants and projects.

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

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

D. Cash and Investments

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

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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 federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

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

F. Receivables and Payables

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

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

H. Inventory

All inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

| | |
|-----------------------------------|---------------|
| 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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

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

M. Pensions

For purposes of measuring the net pension liability, 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.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

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 been 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, 2023

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 | Federal and State Grants | Debt Service | Bond Building | Non-Major Governmental Funds |
|----------------------------|----------------------|-----------------------------|-------------------|-------------------|------------------------------------|
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ 120,193 | \$ | \$ | \$ | \$ |
| Prepaid items | 4,540,000 | | | | |
| Restricted: | | | | | |
| Debt service | | | 728,501 | | |
| Capital projects | | | | | 3,058,993 |
| Bond building projects | | | | 425,125 | |
| Voter approved initiatives | | | | | 5,079,120 |
| Food service | | | | | 1,554,052 |
| Civic center | | | | | 225,970 |
| Community schools | | | | | 226,679 |
| Extracurricular activities | | | | | 91,957 |
| Insurance refund | | | | | 16,668 |
| Student activities | | | | | 62,279 |
| Other purposes | | | | | 395,739 |
| Unassigned | 18,251,800 | (3,317,439) | | | |
| Total fund balances | <u>\$ 22,911,993</u> | <u>\$ (3,317,439)</u> | <u>\$ 728,501</u> | <u>\$ 425,125</u> | <u>\$ 10,711,457</u> |

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the following individual major governmental fund reported a deficit in fund balance.

| | <u>Deficit</u> |
|--------------------------|----------------|
| Major Fund: | |
| Federal and State Grants | \$ 3,317,439 |

The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficit.

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$313,003 and the bank balance was \$4,905,576. At year end, \$4,748,688 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

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

| | Average | Fair Value |
|------------------------------------|----------|---------------|
| | 469 days | |
| County Treasurer's investment pool | | \$ 25,723,890 |

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

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

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 5 – Receivables

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

| | General | Federal and State Grants | Debt Service | Non-Major Governmental Funds |
|---------------------------------------|---------------------|-----------------------------|------------------|------------------------------------|
| Due from other governmental entities: | | | | |
| Due from federal government | \$ | \$ 4,680,738 | \$ 60,071 | \$ 62,720 |
| Due from state government | 6,748,774 | 4,560 | | 2,308,230 |
| Net due from governmental entities | <u>\$ 6,748,774</u> | <u>\$ 4,685,298</u> | <u>\$ 60,071</u> | <u>\$ 2,370,950</u> |

Note 6 – Capital Assets

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

| Governmental Activities | Beginning Balance | Increase | Decrease | Ending Balance |
|--|----------------------|----------------------|---------------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 17,623,871 | \$ | \$ | \$ 17,623,871 |
| Construction in progress | 6,244,927 | 30,665,495 | 6,029,514 | 30,880,908 |
| Total capital assets, not being depreciated | <u>23,868,798</u> | <u>30,665,495</u> | <u>6,029,514</u> | <u>48,504,779</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 2,932,955 | 1,182,492 | | 4,115,447 |
| Buildings and improvements | 92,815,586 | 4,726,761 | | 97,542,347 |
| Vehicles, furniture and equipment | 11,144,555 | 1,235,050 | 304,970 | 12,074,635 |
| Total capital assets being depreciated | <u>106,893,096</u> | <u>7,144,303</u> | <u>304,970</u> | <u>113,732,429</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (1,390,567) | (150,802) | | (1,541,369) |
| Buildings and improvements | (31,276,942) | (2,465,738) | | (33,742,680) |
| Vehicles, furniture and equipment | (7,440,876) | (660,794) | (302,925) | (7,798,745) |
| Total accumulated depreciation | <u>(40,108,385)</u> | <u>(3,277,334)</u> | <u>(302,925)</u> | <u>(43,082,794)</u> |
| Total capital assets, being depreciated, net | <u>66,784,711</u> | <u>3,866,969</u> | <u>2,045</u> | <u>70,649,635</u> |
| Governmental activities capital assets, net | <u>\$ 90,653,509</u> | <u>\$ 34,532,464</u> | <u>\$ 6,031,559</u> | <u>\$ 119,154,414</u> |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

| | | |
|--|----|------------------|
| Instruction | \$ | 2,259,096 |
| Support services – students and staff | | 21,384 |
| Support services – administration | | 140,291 |
| Operation and maintenance of plant services | | 541,252 |
| Student transportation services | | 252,633 |
| Operation of non-instructional services | | 62,678 |
| Total depreciation expense – governmental activities | \$ | <u>3,277,334</u> |

Construction Commitments – At year end, the District had contractual commitments related to new school construction projects at Alamar Elementary School. At year end the District had spent \$30.9 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded with bond proceeds.

Note 7 – Short Term Debt – Line of Credit

The District has a \$7.5 million 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 8 – Financed Purchases Payable

The District has acquired energy upgrades under the provisions of a contract classified as a financed purchase payable. Revenues from the General Fund are transferred to the Other Capital Projects Fund to pay the obligation.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

| Year ending June 30: | Governmental Activities | |
|----------------------|-------------------------|-------------------|
| | Principal | Interest |
| 2024 | \$ 165,426 | \$ 33,698 |
| 2025 | 169,867 | 29,258 |
| 2026 | 174,426 | 24,699 |
| 2027 | 179,107 | 20,017 |
| 2028 | 183,915 | 15,210 |
| 2029-30 | 382,769 | 15,479 |
| Total | <u>\$ 1,255,510</u> | <u>\$ 138,361</u> |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 9 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the amount originally authorized, none 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 \$83.8 million and the available margin is \$34.8 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, 2023 | Due Within One Year |
|--|------------------------------|-------------------|-------------------------|---|------------------------|
| Governmental activities: | | | | | |
| General obligation bonds: | | | | | |
| School Improvement Bonds | | | | | |
| Project of 2009, Series A-1 (Qualified School Construction Bonds) (2010) | \$ 4,600,000 | 6.62% | 7/1/23-27 | \$ 2,325,000 | \$ 455,000 |
| School Improvement Bonds | | | | | |
| Project of 2014, Series A (2015) | 11,860,000 | 3.0-4.0% | 7/1/23-32 | 9,485,000 | 925,000 |
| School Improvement Bonds | | | | | |
| Project of 2017, Series D (2021) | 12,610,000 | 3.0-4.0% | 7/1/31-40 | 12,610,000 | |
| School Improvement Bonds | | | | | |
| Project of 2021, Series A (2022) | 14,140,000 | 3.0-5.0% | 7/1/24-41 | 14,140,000 | |
| Private placement bonds: | | | | | |
| School Improvement Bonds | | | | | |
| Project of 2014, Series B (2017) | 2,390,000 | 2.17% | 7/1/23-29 | 1,605,000 | 190,000 |
| School Improvement Bonds | | | | | |
| Project of 2017, Series A (2018) | 3,750,000 | 2.96% | 7/1/23-31 | 3,510,000 | 80,000 |
| School Improvement Bonds | | | | | |
| Project of 2017, Series B (2019) | 2,000,000 | 2.75% | 7/1/23-30 | 1,930,000 | 40,000 |
| School Improvement Bonds | | | | | |
| Project of 2017, Series C (2020) | 2,950,000 | 1.00% | 7/1/23-25 | 1,150,000 | 400,000 |
| Total | | | | <u>\$ 46,755,000</u> | <u>\$ 2,090,000</u> |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 9 – General Obligation Bonds Payable

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

| Year ending June 30: | Governmental Activities | | | |
|----------------------|--------------------------|----------------------|-------------------------|---------------------|
| | General Obligation Bonds | | Private Placement Bonds | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 1,380,000 | \$ 1,603,880 | \$ 710,000 | \$ 197,643 |
| 2025 | 1,460,000 | 1,544,705 | 1,155,000 | 184,539 |
| 2026 | 1,540,000 | 1,477,574 | 505,000 | 167,030 |
| 2027 | 1,895,000 | 1,396,612 | 585,000 | 152,492 |
| 2028 | 1,975,000 | 1,306,818 | 645,000 | 135,935 |
| 2029-33 | 8,910,000 | 5,506,158 | 4,595,000 | 236,679 |
| 2034-38 | 12,925,000 | 3,041,125 | | |
| 2039-42 | 8,475,000 | 729,625 | | |
| Total | <u>\$ 38,560,000</u> | <u>\$ 16,606,497</u> | <u>\$ 8,195,000</u> | <u>\$ 1,074,318</u> |

Note 10 – Changes in Long-Term Liabilities

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 39,610,000 | \$ | \$ 1,050,000 | \$ 38,560,000 | \$ 1,380,000 |
| Private placement general obligation bonds | 9,835,000 | | 1,640,000 | 8,195,000 | 710,000 |
| Premium | 3,360,471 | | 183,330 | 3,177,141 | |
| Total bonds payable | <u>52,805,471</u> | | <u>2,873,330</u> | <u>49,932,141</u> | <u>2,090,000</u> |
| Financed purchases payable | 1,416,612 | | 161,102 | 1,255,510 | 165,426 |
| Net pension liability | 35,016,917 | 8,013,354 | | 43,030,271 | |
| Compensated absences payable | 1,711,438 | 826,350 | 586,876 | 1,950,912 | 150,000 |
| Total long-term liabilities | <u>\$ 90,950,438</u> | <u>\$ 8,839,704</u> | <u>\$ 3,621,308</u> | <u>\$ 96,168,834</u> | <u>\$ 2,405,426</u> |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 11 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund had negative cash balances in the Treasurer’s pooled cash accounts of \$1,508,417. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

| | Transfers in | | | |
|------------------------------|-------------------|-------------------|--------------------|---------------------|
| | | | Non-Major | |
| | General Fund | Debt Service Fund | Governmental Funds | Total |
| Transfers out | | | | |
| General | \$ | \$ | \$ 199,124 | \$ 199,124 |
| Federal and State Grants | 364,932 | | | 364,932 |
| Bond Building | | 287,207 | | 287,207 |
| Non-Major Governmental Funds | 500,000 | | | 500,000 |
| Total | <u>\$ 864,932</u> | <u>\$ 287,207</u> | <u>\$ 199,124</u> | <u>\$ 1,351,263</u> |

Transfers between funds were used to 1) move investment income earned in the Bond Building Fund, that are required by statute to be expended in the Debt Service Fund, 2) to move federal grant funds restricted for indirect costs, and 3) to move energy savings between the General Fund and the Other Capital Projects Fund, a non-major governmental fund, for the payment of the energy efficient upgrades financed purchase.

Note 12 – Contingent Liabilities

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

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 13 – Risk Management

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

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

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

Note 14 – Pensions

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.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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.

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 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2023 were \$3,797,410.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 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, 2022. 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, 2021 to the measurement date of June 30, 2022. 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, 2022.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

| Net Liability | District % Proportion | Increase (Decrease) |
|------------------|--------------------------|------------------------|
| \$ 43,030,271 | 0.264 | (0.003) |

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, 2023 was \$5,131,186.

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 14 – 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 | \$ 366,644 | \$ |
| Changes of assumptions or other inputs | 2,135,676 | |
| Net difference between projected and actual earnings on pension investments | | 1,133,459 |
| Changes in proportion and differences between contributions and proportionate share of contributions | | 345,618 |
| Contributions subsequent to the measurement date | <u>3,797,410</u> | |
| Total | <u>\$ 6,299,730</u> | <u>\$ 1,479,077</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, 2024. 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: | | |
| 2024 | \$ | 1,831,271 |
| 2025 | | (654,231) |
| 2026 | | (1,967,951) |
| 2027 | | 1,814,154 |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

| | |
|-----------------------------|---------------------|
| Actuarial valuation date | June 30, 2021 |
| Actuarial roll forward date | June 30, 2022 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.0% |
| Inflation | 2.3% |
| Projected salary increases | 2.9-8.4% |
| Permanent base increases | Included |
| Mortality rates | 2017 SRA Scale U-MP |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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.

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% | 3.90% |
| Credit | 20 | 5.30 |
| Interest rate sensitive bonds | 10 | (0.20) |
| Real estate | 20 | 6.00 |
| Total | 100% | |

Littleton Elementary School District No. 65
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

Discount Rate. The discount rate used to measure the total pension liability was 7.0 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.

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 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | Current | | |
|---------------|---------------|---------------|---------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| Rate | 6.0% | 7.0% | 8.0% |
| Net liability | \$ 63,489,886 | \$ 43,030,271 | \$ 25,970,149 |

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
For the Year Ended June 30, 2023

| | Budget | | Non-GAAP Actual | Variance with Final Budget |
|--|------------------------|------------------------|----------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 15,580 | \$ 15,580 |
| Property taxes | | | 10,174,157 | 10,174,157 |
| State aid and grants | | | 33,634,190 | 33,634,190 |
| Federal aid, grants and reimbursements | | | | |
| Total revenues | | | <u>43,823,927</u> | <u>43,823,927</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 27,173,720 | 27,555,499 | 26,132,294 | 1,423,205 |
| Support services - students and staff | 6,766,209 | 6,838,186 | 6,363,053 | 475,133 |
| Support services - administration | 5,433,309 | 5,443,309 | 4,834,751 | 608,558 |
| Operation and maintenance of plant services | 4,234,374 | 3,770,618 | 3,764,853 | 5,765 |
| Student transportation services | 2,311,730 | 2,311,730 | 1,914,347 | 397,383 |
| Operation of non-instructional services | 317,304 | 317,304 | 211,077 | 106,227 |
| Total expenditures | <u>46,236,646</u> | <u>46,236,646</u> | <u>43,220,375</u> | <u>3,016,271</u> |
| Excess (deficiency) of revenues over expenditures | <u>(46,236,646)</u> | <u>(46,236,646)</u> | <u>603,552</u> | <u>46,840,198</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>(46,236,646)</u> | <u>(46,236,646)</u> | <u>404,428</u> | <u>46,641,074</u> |
| Fund balances, beginning of year | | | <u>3,120,634</u> | <u>3,120,634</u> |
| Fund balances, end of year | <u>\$ (46,236,646)</u> | <u>\$ (46,236,646)</u> | <u>\$ 3,525,062</u> | <u>\$ 49,761,708</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

| | Budget | | Actual | Variance with Final Budget |
|--|-----------------|-----------------|----------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 3,518 | \$ 3,518 |
| State aid and grants | | | 335,346 | 335,346 |
| Federal aid, grants and reimbursements | | | 6,107,809 | 6,107,809 |
| Total revenues | | | 6,446,673 | 6,446,673 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 6,738,135 | 7,540,904 | 3,661,755 | 3,879,149 |
| Support services - students and staff | 4,261,650 | 4,769,375 | 2,315,940 | 2,453,435 |
| Support services - administration | 524,550 | 587,044 | 285,060 | 301,984 |
| Operation and maintenance of plant services | 1,660,313 | 1,858,119 | 902,276 | 955,843 |
| Student transportation services | 440,290 | 492,745 | 239,270 | 253,475 |
| Operation of non-instructional services | 4,317 | 4,831 | 2,346 | 2,485 |
| Capital outlay | 3,442,231 | 3,852,332 | 1,870,637 | 1,981,695 |
| Total expenditures | 17,071,485 | 19,105,350 | 9,277,284 | 9,828,066 |
| Excess (deficiency) of revenues over expenditures | (17,071,485) | (19,105,350) | (2,830,611) | 16,274,739 |
| Other financing sources (uses) | | | | |
| Transfers out | | | (364,932) | (364,932) |
| Total other financing sources (uses) | | | (364,932) | (364,932) |
| Changes in fund balances | (17,071,485) | (19,105,350) | (3,195,543) | 15,909,807 |
| Fund balances, beginning of year | | | (121,896) | (121,896) |
| Fund balances, end of year | \$ (17,071,485) | \$ (19,105,350) | \$ (3,317,439) | \$ 15,787,911 |

**Standard School District/Government
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years**

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| Measurement date | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| District's proportion of the net pension (assets) liability | 0.26% | 0.27% | 0.27% | 0.26% |
| District's proportionate share of the net pension (assets) liability | \$ 43,030,271 | \$ 35,016,917 | \$ 46,360,570 | \$ 37,411,041 |
| District's covered payroll | \$ 31,362,290 | \$ 29,918,335 | \$ 29,200,096 | \$ 27,075,957 |
| District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll | 137.20% | 117.04% | 158.77% | 138.17% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.26% | 78.58% | 69.33% | 73.24% |

**Schedule of Pension Contributions
Arizona State Retirement System
Last Nine Fiscal Years**

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 3,797,410 | \$ 3,766,611 | \$ 3,485,486 | \$ 3,343,411 |
| Contributions in relation to the actuarially determined contribution | <u>3,797,410</u> | <u>3,766,611</u> | <u>3,485,486</u> | <u>3,343,411</u> |
| Contribution deficiency (excess) | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| District's covered payroll | \$ 31,857,466 | \$ 31,362,290 | \$ 29,918,335 | \$ 29,200,096 |
| Contributions as a percentage of covered payroll | 11.92% | 12.01% | 11.65% | 11.45% |

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.

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---------------|---------------|---------------|---------------|---------------|
| June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| 0.24% | 0.24% | 0.24% | 0.25% | 0.25% |
| \$ 33,595,677 | \$ 37,521,293 | \$ 38,325,201 | \$ 38,849,925 | \$ 36,326,109 |
| \$ 23,922,110 | \$ 23,172,968 | \$ 22,266,700 | \$ 23,064,702 | \$ 22,117,589 |
| 140.44% | 161.92% | 172.12% | 168.44% | 164.24% |
| 73.40% | 69.92% | 67.06% | 68.35% | 69.49% |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---------------|---------------|---------------|---------------|---------------|
| \$ 3,027,092 | \$ 2,607,510 | \$ 2,498,046 | \$ 2,415,937 | \$ 2,511,746 |
| 3,027,092 | 2,607,510 | 2,498,046 | 2,415,937 | 2,511,746 |
| \$ | \$ | \$ | \$ | \$ |
| \$ 27,075,957 | \$ 23,922,110 | \$ 23,172,968 | \$ 22,266,700 | \$ 23,064,702 |
| 11.18% | 10.90% | 10.78% | 10.85% | 10.89% |

Littleton Elementary School District No. 65
Notes to Required Supplementary Information
June 30, 2023

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.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

| | Total | Fund |
|--|----------------------|---------------------|
| | Expenditures | Balances |
| | <u>Expenditures</u> | <u>End of Year</u> |
| Statement of Revenues, Expenditures and Changes in | | |
| Fund Balances - Governmental Funds | \$ 39,280,394 | \$ 22,911,993 |
| Activity budgeted as special revenue funds | (1,002,497) | (5,026,355) |
| Activity budgeted as capital projects funds | (3,779,080) | (4,729,435) |
| Current-year prepaid items | 5,003,463 | (5,003,463) |
| Prior-year prepaid items | (396,688) | |
| Employee insurance account | <u>4,114,783</u> | <u>(4,627,678)</u> |
| Schedule of Revenue, Expenditures and Changes in | | |
| Fund Balances – Budget and Actual - General Fund | <u>\$ 43,220,375</u> | <u>\$ 3,525,062</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, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

**Combining and Individual
Fund Financial Statements
and Schedules**

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

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.

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, and student activities.

Capital Projects Funds

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

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: school plant, energy water and savings, and building renewal grant.

Littleton Elementary School District No. 65
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|---|------------------------------|----------------------------------|---------------------|------------------------------|
| | Classroom Site | Instructional Improvement | Food Service | Other Special Revenue |
| Assets | | | | |
| Cash and investments | \$ 4,381,737 | \$ 628,038 | \$ 2,383,917 | \$ 997,104 |
| Deposits | | | 65,519 | |
| Due from governmental entities | | 275,846 | 62,720 | |
| Accounts receivable | | | | 42,257 |
| Total assets | <u>\$ 4,381,737</u> | <u>\$ 903,884</u> | <u>\$ 2,512,156</u> | <u>\$ 1,039,361</u> |
| Liabilities | | | | |
| Accounts payable | \$ | \$ | \$ 954,459 | \$ 14,530 |
| Accrued payroll and employee benefits | 206,501 | | 3,645 | 5,539 |
| Total liabilities | <u>206,501</u> | | <u>958,104</u> | <u>20,069</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenues - intergovernmental | | | | |
| Total deferred inflows of resources | | | | |
| Fund balances | | | | |
| Restricted | 4,175,236 | 903,884 | 1,554,052 | 1,019,292 |
| Total fund balances | <u>4,175,236</u> | <u>903,884</u> | <u>1,554,052</u> | <u>1,019,292</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 4,381,737</u> | <u>\$ 903,884</u> | <u>\$ 2,512,156</u> | <u>\$ 1,039,361</u> |

| <u>Capital Projects Funds</u> | | <u>Total Non-Major Governmental Funds</u> |
|-------------------------------|-----------------------------------|---|
| <u>Adjacent Ways</u> | <u>Other Capital Projects</u> | |
| \$ 2,479,956 | \$ 582,626 | \$ 11,453,378 |
| | | 65,519 |
| | 2,032,384 | 2,370,950 |
| | 679,115 | 721,372 |
| <u>\$ 2,479,956</u> | <u>\$ 3,294,125</u> | <u>\$ 14,611,219</u> |
| | | |
| \$ | \$ 682,704 | \$ 1,651,693 |
| | | 215,685 |
| | 682,704 | 1,867,378 |
| | | |
| | 2,032,384 | 2,032,384 |
| | 2,032,384 | 2,032,384 |
| | | |
| 2,479,956 | 579,037 | 10,711,457 |
| 2,479,956 | 579,037 | 10,711,457 |
| | | |
| <u>\$ 2,479,956</u> | <u>\$ 3,294,125</u> | <u>\$ 14,611,219</u> |

Littleton Elementary School District No. 65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

| | Special Revenue Funds | | | |
|--|------------------------------|----------------------------------|----------------------------|------------------------------|
| | Classroom Site | Instructional Improvement | Food Service | Other Special Revenue |
| Revenues | | | | |
| Other local | \$ 57,493 | \$ 17,999 | \$ 686,076 | \$ 453,438 |
| Property taxes | | | | |
| State aid and grants | 4,376,119 | 376,050 | | |
| Federal aid, grants and reimbursements | | | 5,184,640 | |
| Total revenues | <u>4,433,612</u> | <u>394,049</u> | <u>5,870,716</u> | <u>453,438</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 2,920,993 | | | 128,697 |
| Support services - students and staff | 193,383 | 9,086 | | 17,968 |
| Support services - administration | | | 9,409 | 77,462 |
| Operation and maintenance of plant services | | | 704 | 114,957 |
| Student transportation services | | | | 5,417 |
| Operation of non-instructional services | | | 5,232,943 | |
| Capital outlay | | | 701,478 | 30,304 |
| Debt service: | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>3,114,376</u> | <u>9,086</u> | <u>5,944,534</u> | <u>374,805</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,319,236</u> | <u>384,963</u> | <u>(73,818)</u> | <u>78,633</u> |
| Other financing sources (uses) | | | | |
| Transfers in | | | | |
| Transfers out | | | (500,000) | |
| Total other financing sources (uses) | | | <u>(500,000)</u> | |
| Changes in fund balances | <u>1,319,236</u> | <u>384,963</u> | <u>(573,818)</u> | <u>78,633</u> |
| Fund balances, beginning of year | <u>2,856,000</u> | <u>518,921</u> | <u>2,127,870</u> | <u>940,659</u> |
| Fund balances, end of year | <u><u>\$ 4,175,236</u></u> | <u><u>\$ 903,884</u></u> | <u><u>\$ 1,554,052</u></u> | <u><u>\$ 1,019,292</u></u> |

| Capital Projects Funds | | Total Non-Major Governmental Funds |
|-------------------------------|-----------------------------------|---|
| Adjacent Ways | Other Capital Projects | |
| \$ 42,322 | \$ 1,244,121 | \$ 2,501,449 |
| 800,000 | | 800,000 |
| | 194,883 | 4,947,052 |
| | | 5,184,640 |
| <u>842,322</u> | <u>1,439,004</u> | <u>13,433,141</u> |
| | | 3,049,690 |
| | | 220,437 |
| | | 86,871 |
| | | 115,661 |
| | | 5,417 |
| | | 5,232,943 |
| 1,860,498 | 2,759,262 | 5,351,542 |
| | 161,102 | 161,102 |
| | 38,022 | 38,022 |
| <u>1,860,498</u> | <u>2,958,386</u> | <u>14,261,685</u> |
| <u>(1,018,176)</u> | <u>(1,519,382)</u> | <u>(828,544)</u> |
| | 199,124 | 199,124 |
| | | (500,000) |
| | <u>199,124</u> | <u>(300,876)</u> |
| <u>(1,018,176)</u> | <u>(1,320,258)</u> | <u>(1,129,420)</u> |
| <u>3,498,132</u> | <u>1,899,295</u> | <u>11,840,877</u> |
| <u>\$ 2,479,956</u> | <u>\$ 579,037</u> | <u>\$ 10,711,457</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-----------------------|-----------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 57,493 | \$ 57,493 |
| State aid and grants | | | 4,376,119 | 4,376,119 |
| Total revenues | | | 4,433,612 | 4,433,612 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 7,136,347 | 6,751,683 | 2,920,993 | 3,830,690 |
| Support services - students and staff | 195,265 | 195,265 | 193,383 | 1,882 |
| Support services - administration | 527,097 | 340,537 | | 340,537 |
| Total expenditures | 7,858,709 | 7,287,485 | 3,114,376 | 4,173,109 |
| Changes in fund balances | (7,858,709) | (7,287,485) | 1,319,236 | 8,606,721 |
| Fund balances, beginning of year | | | 2,856,000 | 2,856,000 |
| Fund balances, end of year | <u>\$ (7,858,709)</u> | <u>\$ (7,287,485)</u> | <u>\$ 4,175,236</u> | <u>\$ 11,462,721</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

| | <u>Budget</u> | | <u>Variance with</u> |
|---|---------------------------|---------------|----------------------|
| | <u>Original and Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| Revenues | | | |
| Other local | \$ | \$ 17,999 | \$ 17,999 |
| State aid and grants | | 376,050 | 376,050 |
| Total revenues | | 394,049 | 394,049 |
| Expenditures | | | |
| Current: | | | |
| Support services - students and staff | 296,000 | 9,086 | 286,914 |
| Total expenditures | 296,000 | 9,086 | 286,914 |
| Changes in fund balances | (296,000) | 384,963 | 680,963 |
| Fund balances, beginning of year | | 518,921 | 518,921 |
| Fund balances, end of year | \$ (296,000) | \$ 903,884 | \$ 1,199,884 |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-----------------------|-----------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 686,076 | \$ 686,076 |
| Federal aid, grants and reimbursements | | | 5,184,640 | 5,184,640 |
| Total revenues | | | 5,870,716 | 5,870,716 |
| Expenditures | | | | |
| Current: | | | | |
| Support services - administration | 7,597 | 8,974 | 9,409 | (435) |
| Operation and maintenance of plant services | 568 | 671 | 704 | (33) |
| Operation of non-instructional services | 4,225,416 | 4,991,272 | 5,232,943 | (241,671) |
| Capital outlay | 566,419 | 669,082 | 701,478 | (32,396) |
| Total expenditures | 4,800,000 | 5,670,000 | 5,944,534 | (274,534) |
| Excess (deficiency) of revenues over expenditures | (4,800,000) | (5,670,000) | (73,818) | 5,596,182 |
| Other financing sources (uses) | | | | |
| Transfers out | | | (500,000) | (500,000) |
| Total other financing sources (uses) | | | (500,000) | (500,000) |
| Changes in fund balances | (4,800,000) | (5,670,000) | (573,818) | 5,096,182 |
| Fund balances, beginning of year | | | 2,127,870 | 2,127,870 |
| Fund balances, end of year | <u>\$ (4,800,000)</u> | <u>\$ (5,670,000)</u> | <u>\$ 1,554,052</u> | <u>\$ 7,224,052</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|---------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 453,438 | \$ 453,438 |
| State aid and grants | | | | |
| Federal aid, grants and reimbursements | | | | |
| Total revenues | | | <u>453,438</u> | <u>453,438</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 228,788 | 306,544 | 128,697 | 177,847 |
| Support services - students and staff | 31,942 | 42,798 | 17,968 | 24,830 |
| Support services - administration | 137,706 | 184,507 | 77,462 | 107,045 |
| Operation and maintenance of plant services | 204,362 | 273,817 | 114,957 | 158,860 |
| Student transportation services | 9,630 | 12,903 | 5,417 | 7,486 |
| Operation of non-instructional services | | | | |
| Capital outlay | <u>53,872</u> | <u>72,181</u> | <u>30,304</u> | <u>41,877</u> |
| Total expenditures | <u>666,300</u> | <u>892,750</u> | <u>374,805</u> | <u>517,945</u> |
| Excess (deficiency) of revenues over expenditures | <u>(666,300)</u> | <u>(892,750)</u> | <u>78,633</u> | <u>971,383</u> |
| Changes in fund balances | <u>(666,300)</u> | <u>(892,750)</u> | <u>78,633</u> | <u>971,383</u> |
| Fund balances, beginning of year | | | <u>940,659</u> | <u>940,659</u> |
| Fund balances, end of year | <u>\$ (666,300)</u> | <u>\$ (892,750)</u> | <u>\$ 1,019,292</u> | <u>\$ 1,912,042</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

| | <u>Budget</u> | | | Variance with |
|--|-----------------------|-----------------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 68,535 | \$ 68,535 |
| Property taxes | | | 3,745,705 | 3,745,705 |
| Federal aid, grants and reimbursements | | | 202,169 | 202,169 |
| Total revenues | | | <u>4,016,409</u> | <u>4,016,409</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal retirement | 2,090,000 | 2,090,000 | 2,090,000 | |
| Interest and fiscal charges | <u>1,380,000</u> | <u>4,252,600</u> | <u>1,884,103</u> | <u>2,368,497</u> |
| Total expenditures | <u>3,470,000</u> | <u>6,342,600</u> | <u>3,974,103</u> | <u>2,368,497</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,470,000)</u> | <u>(6,342,600)</u> | <u>42,306</u> | <u>6,384,906</u> |
| Other financing sources (uses) | | | | |
| Transfers in | | | 287,207 | 287,207 |
| Total other financing sources (uses) | | | <u>287,207</u> | <u>287,207</u> |
| Changes in fund balances | <u>(3,470,000)</u> | <u>(6,342,600)</u> | <u>329,513</u> | <u>6,672,113</u> |
| Fund balances, beginning of year | | | <u>398,988</u> | <u>398,988</u> |
| Fund balances, end of year | <u>\$ (3,470,000)</u> | <u>\$ (6,342,600)</u> | <u>\$ 728,501</u> | <u>\$ 7,071,101</u> |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

| | <u>Budget</u> | | |
|--|---------------------------|---------------|---------------------------------------|
| | <u>Original and Final</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
| Revenues | | | |
| Other local | \$ | \$ 42,322 | \$ 42,322 |
| Property taxes | | 800,000 | 800,000 |
| Total revenues | | 842,322 | 842,322 |
| Expenditures | | | |
| Capital outlay | 3,188,338 | 1,860,498 | 1,327,840 |
| Total expenditures | 3,188,338 | 1,860,498 | 1,327,840 |
| Excess (deficiency) of revenues over expenditures | (3,188,338) | (1,018,176) | 2,170,162 |
| Changes in fund balances | (3,188,338) | (1,018,176) | 2,170,162 |
| Fund balances, beginning of year | | 3,498,132 | 3,498,132 |
| Fund balances, end of year | \$ (3,188,338) | \$ 2,479,956 | \$ 5,668,294 |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

| | <u>Budget</u> | | |
|--|---------------------------|---------------|---------------------------------------|
| | <u>Original and Final</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
| Revenues | | | |
| Other local | \$ | \$ 287,207 | \$ 287,207 |
| Total revenues | | 287,207 | 287,207 |
| Expenditures | | | |
| Capital outlay | 25,000,000 | 26,703,869 | (1,703,869) |
| Total expenditures | 25,000,000 | 26,703,869 | (1,703,869) |
| Excess (deficiency) of revenues over expenditures | (25,000,000) | (26,416,662) | (1,416,662) |
| Other financing sources (uses) | | | |
| Transfers in | | | |
| Transfers out | | (287,207) | (287,207) |
| Total other financing sources (uses) | | (287,207) | (287,207) |
| Changes in fund balances | (25,000,000) | (26,703,869) | (1,703,869) |
| Fund balances, beginning of year | | 27,128,994 | 27,128,994 |
| Fund balances, end of year | \$ (25,000,000) | \$ 425,125 | \$ 25,425,125 |

Littleton Elementary School District No. 65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

| | <u>Budget</u> | | | Variance with |
|--|-----------------------|-----------------------|--------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| Revenues | | | | |
| Other local | \$ | \$ | \$ 1,244,121 | \$ 1,244,121 |
| State aid and grants | | | 194,883 | 194,883 |
| Total revenues | | | <u>1,439,004</u> | <u>1,439,004</u> |
| Expenditures | | | | |
| Capital outlay | 2,160,000 | 2,460,101 | 2,759,262 | (299,161) |
| Debt service: | | | | |
| Principal retirement | 161,102 | 161,102 | 161,102 | |
| Interest and fiscal charges | 38,022 | 38,022 | 38,022 | |
| Total expenditures | <u>2,359,124</u> | <u>2,659,225</u> | <u>2,958,386</u> | <u>(299,161)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,359,124)</u> | <u>(2,659,225)</u> | <u>(1,519,382)</u> | <u>1,139,843</u> |
| Other financing sources (uses) | | | | |
| Transfers in | | | 199,124 | 199,124 |
| Total other financing sources (uses) | | | <u>199,124</u> | <u>199,124</u> |
| Changes in fund balances | <u>(2,359,124)</u> | <u>(2,659,225)</u> | <u>(1,320,258)</u> | <u>1,338,967</u> |
| Fund balances, beginning of year | | | <u>1,899,295</u> | <u>1,899,295</u> |
| Fund balances, end of year | <u>\$ (2,359,124)</u> | <u>\$ (2,659,225)</u> | <u>\$ 579,037</u> | <u>\$ 3,238,262</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.

Littleton Elementary School District No. 65
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|----------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Net Position: | | | | | |
| Net investment in capital assets | \$ 68,391,888 | \$ 63,560,420 | \$ 60,787,385 | \$ 56,313,462 | \$ 54,663,649 |
| Restricted | 23,692,277 | 17,088,358 | 11,142,928 | 9,256,546 | 7,660,471 |
| Unrestricted | <u>(24,243,157)</u> | <u>(28,154,802)</u> | <u>(28,763,251)</u> | <u>(27,912,254)</u> | <u>(24,133,528)</u> |
| Total net position | <u><u>\$ 67,841,008</u></u> | <u><u>\$ 52,493,976</u></u> | <u><u>\$ 43,167,062</u></u> | <u><u>\$ 37,657,754</u></u> | <u><u>\$ 38,190,592</u></u> |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Net Position: | | | | | |
| Net investment in capital assets | \$ 54,284,981 | \$ 55,002,861 | \$ 53,316,103 | \$ 54,510,270 | \$ 54,642,657 |
| Restricted | 8,465,090 | 5,821,136 | 7,095,095 | 6,484,625 | 6,437,446 |
| Unrestricted | <u>(29,328,719)</u> | <u>(30,960,414)</u> | <u>(30,772,236)</u> | <u>(30,368,781)</u> | <u>6,445,823</u> |
| Total net position | <u><u>\$ 33,421,352</u></u> | <u><u>\$ 29,863,583</u></u> | <u><u>\$ 29,638,962</u></u> | <u><u>\$ 30,626,114</u></u> | <u><u>\$ 67,525,926</u></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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Expenses | | | | | |
| Instruction | \$ 35,014,806 | \$ 32,514,720 | \$ 30,786,791 | \$ 30,572,464 | \$ 25,459,688 |
| Support services - students and staff | 9,423,107 | 8,917,557 | 8,815,879 | 8,256,769 | 6,684,359 |
| Support services - administration | 2,994,183 | 6,084,722 | 5,895,244 | 6,701,801 | 5,613,793 |
| Operation and maintenance of plant services | 5,679,757 | 4,770,135 | 4,958,511 | 4,415,197 | 4,000,697 |
| Student transportation services | 3,547,415 | 2,328,797 | 2,003,696 | 2,643,820 | 2,100,998 |
| Operation of non-instructional services | 5,737,185 | 4,847,184 | 3,106,342 | 5,047,938 | 4,968,174 |
| Interest on long-term debt | 1,821,258 | 1,124,199 | 891,774 | 1,050,556 | 988,854 |
| Total expenses | <u>64,217,711</u> | <u>60,587,314</u> | <u>56,458,237</u> | <u>58,688,545</u> | <u>49,816,563</u> |
| Program Revenues | | | | | |
| Charges for services: | | | | | |
| Instruction | 1,436,124 | 81,436 | 423,979 | 399,096 | 201,168 |
| Operation of non-instructional services | 840,662 | 211,582 | 24,082 | 472,620 | 560,625 |
| Other activities | 247,821 | 399,433 | 288,279 | 210,135 | 256,852 |
| Operating grants and contributions | 16,392,142 | 14,555,639 | 9,746,888 | 7,584,157 | 8,078,792 |
| Capital grants and contributions | 2,065,520 | 2,684,843 | 4,378,637 | 298,977 | 718,949 |
| Total program revenues | <u>20,982,269</u> | <u>17,932,933</u> | <u>14,861,865</u> | <u>8,964,985</u> | <u>9,816,386</u> |
| Net (Expense)/Revenue | <u>\$ (43,235,442)</u> | <u>\$ (42,654,381)</u> | <u>\$ (41,596,372)</u> | <u>\$ (49,723,560)</u> | <u>\$ (40,000,177)</u> |

(Continued)

Littleton Elementary School District No. 65
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

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

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Net (Expense)/Revenue | \$ (43,235,442) | \$ (42,654,381) | \$ (41,596,372) | \$ (49,723,560) | \$ (40,000,177) |
| General Revenues: | | | | | |
| Property taxes | 17,345,175 | 16,488,058 | 15,545,463 | 14,638,903 | 13,772,243 |
| Investment income | 717,178 | 209,035 | 141,191 | 266,983 | 262,092 |
| Unrestricted county aid | | 2,668,941 | 2,620,848 | 2,621,782 | 2,547,818 |
| Unrestricted state aid | 40,035,817 | 32,109,648 | 28,449,893 | 31,194,024 | 28,012,345 |
| Unrestricted federal aid | 484,304 | 505,613 | 348,285 | 310,628 | 174,919 |
| Total general revenues | <u>58,582,474</u> | <u>51,981,295</u> | <u>47,105,680</u> | <u>49,032,320</u> | <u>44,769,417</u> |
| Changes in Net Position | <u>\$ 15,347,032</u> | <u>\$ 9,326,914</u> | <u>\$ 5,509,308</u> | <u>\$ (691,240)</u> | <u>\$ 4,769,240</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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------------------------|---------------------|--------------------|---------------------|-----------------------|---------------------|
| Net (Expense)/Revenue | \$ (37,584,301) | \$ (38,039,833) | \$ (38,056,034) | \$ (38,810,593) | \$ (33,932,119) |
| General Revenues: | | | | | |
| Property taxes | 13,447,991 | 12,833,943 | 12,341,162 | 12,717,175 | 12,037,863 |
| Investment income | 100,413 | 55,858 | 82,812 | 35,223 | 34,573 |
| Unrestricted county aid | 2,469,462 | 2,224,802 | 2,094,375 | 2,079,064 | 2,006,377 |
| Unrestricted state aid | 24,934,749 | 22,838,761 | 22,281,981 | 22,493,033 | 21,689,531 |
| Unrestricted federal aid | 183,259 | 311,090 | 268,552 | 179,069 | 112,606 |
| Total general revenues | <u>41,135,874</u> | <u>38,264,454</u> | <u>37,068,882</u> | <u>37,503,564</u> | <u>35,880,950</u> |
| Changes in Net Position | <u>\$ 3,551,573</u> | <u>\$ 224,621</u> | <u>\$ (987,152)</u> | <u>\$ (1,307,029)</u> | <u>\$ 1,948,831</u> |

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

Note: Due to a change in legislation, beginning in fiscal year 2023, unrestricted county aid is now presented with property taxes.

(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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| General Fund: | | | | | |
| Nondisposable | \$ 4,660,193 | \$ 123,378 | \$ 123,729 | \$ 557,010 | \$ 77,981 |
| Restricted | | 4,559,464 | 2,544,645 | 791,016 | 1,710,530 |
| Unassigned | 18,251,800 | 7,510,389 | 6,738,776 | 5,973,283 | 5,732,708 |
| Total General Fund | <u>\$ 22,911,993</u> | <u>\$ 12,193,231</u> | <u>\$ 9,407,150</u> | <u>\$ 7,321,309</u> | <u>\$ 7,521,219</u> |
| All Other Governmental Funds: | | | | | |
| Restricted | \$ 11,865,083 | \$ 39,545,596 | \$ 9,332,796 | \$ 9,204,788 | \$ 11,164,884 |
| Unassigned | (3,317,439) | (298,633) | (80,569) | (1,039,504) | (197,574) |
| Total all other governmental funds | <u>\$ 8,547,644</u> | <u>\$ 39,246,963</u> | <u>\$ 9,252,227</u> | <u>\$ 8,165,284</u> | <u>\$ 10,967,310</u> |

(Continued)

Littleton Elementary School District No. 65
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

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

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Federal sources: | | | | | |
| Federal grants | \$ 6,794,282 | \$ 8,700,529 | \$ 7,386,771 | \$ 3,583,539 | \$ 3,289,280 |
| National School Lunch Program | 5,184,640 | 6,119,186 | 2,923,716 | 4,488,805 | 4,560,165 |
| Total federal sources | <u>11,978,922</u> | <u>14,819,715</u> | <u>10,310,487</u> | <u>8,072,344</u> | <u>7,849,445</u> |
| State sources: | | | | | |
| State equalization assistance | 34,923,648 | 27,156,386 | 25,331,567 | 27,652,969 | 24,787,458 |
| State grants | 335,346 | 395,635 | 212,420 | 374,178 | 95,025 |
| School Facilities Oversight Board | 194,883 | 160,777 | 55,656 | 196,115 | 386,006 |
| Other revenues | 4,752,169 | 4,792,485 | 3,177,552 | 3,344,940 | 3,224,887 |
| Total state sources | <u>40,206,046</u> | <u>32,505,283</u> | <u>28,777,195</u> | <u>31,568,202</u> | <u>28,493,376</u> |
| Local sources: | | | | | |
| Property taxes | 17,282,351 | 16,509,100 | 15,587,882 | 14,876,797 | 13,808,390 |
| County aid | | 2,668,941 | 2,620,848 | 2,621,782 | 2,547,818 |
| Food service sales | 686,076 | 211,582 | 24,082 | 450,868 | 560,625 |
| Investment income | 717,178 | 209,035 | 141,191 | 266,983 | 262,092 |
| Other revenues | 2,607,594 | 2,745,348 | 693,959 | 662,291 | 738,775 |
| Total local sources | <u>21,293,199</u> | <u>22,344,006</u> | <u>19,067,962</u> | <u>18,878,721</u> | <u>17,917,700</u> |
| Total revenues | <u><u>\$ 73,478,167</u></u> | <u><u>\$ 69,669,004</u></u> | <u><u>\$ 58,155,644</u></u> | <u><u>\$ 58,519,267</u></u> | <u><u>\$ 54,260,521</u></u> |

(Continued)

Littleton Elementary School District No. 65
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Federal sources: | | | | | |
| Federal grants | \$ 2,869,395 | \$ 3,538,301 | \$ 3,341,620 | \$ 3,308,088 | \$ 4,013,021 |
| National School Lunch Program | 4,193,258 | 4,176,317 | 3,825,325 | 4,075,811 | 4,172,939 |
| Total federal sources | <u>7,062,653</u> | <u>7,714,618</u> | <u>7,166,945</u> | <u>7,383,899</u> | <u>8,185,960</u> |
| State sources: | | | | | |
| State equalization assistance | 22,073,027 | 20,645,967 | 20,085,240 | 20,419,340 | 19,830,849 |
| State grants | 106,399 | 34,771 | 13,503 | 27,214 | 411,618 |
| School Facilities Oversight Board | 5,080 | 266,436 | | | |
| Other revenues | <u>2,861,722</u> | <u>2,192,794</u> | <u>2,196,741</u> | <u>2,073,693</u> | <u>1,858,682</u> |
| Total state sources | <u>25,046,228</u> | <u>23,139,968</u> | <u>22,295,484</u> | <u>22,520,247</u> | <u>22,101,149</u> |
| Local sources: | | | | | |
| Property taxes | 13,475,453 | 12,917,411 | 12,475,137 | 12,709,520 | 12,078,963 |
| County aid | 2,469,462 | 2,224,802 | 2,094,375 | 2,079,064 | 2,006,377 |
| Food service sales | 535,267 | 456,641 | 334,114 | 350,253 | 397,405 |
| Investment income | 100,413 | 55,858 | 82,812 | 35,223 | 34,573 |
| Other revenues | <u>781,476</u> | <u>734,441</u> | <u>642,209</u> | <u>581,634</u> | <u>484,191</u> |
| Total local sources | <u>17,362,071</u> | <u>16,389,153</u> | <u>15,628,647</u> | <u>15,755,694</u> | <u>15,001,509</u> |
| Total revenues | <u>\$ 49,470,952</u> | <u>\$ 47,243,739</u> | <u>\$ 45,091,076</u> | <u>\$ 45,659,840</u> | <u>\$ 45,288,618</u> |

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

Note: Due to a change in legislation, beginning in fiscal year 2023, county aid is now presented with property taxes.

(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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| Instruction | \$ 28,982,768 | \$ 29,045,139 | \$ 25,922,544 | \$ 26,064,298 | \$ 24,377,167 |
| Support services - students and staff | 8,899,435 | 8,758,594 | 8,171,762 | 7,824,834 | 7,002,780 |
| Support services - administration | 1,546,485 | 5,795,853 | 5,013,028 | 5,720,387 | 5,385,859 |
| Operation and maintenance of plant services | 4,653,649 | 3,892,746 | 3,811,271 | 4,185,850 | 3,736,402 |
| Student transportation services | 2,099,771 | 1,904,403 | 1,190,680 | 1,779,325 | 1,694,019 |
| Operation of non-instructional services | 5,429,059 | 4,764,106 | 2,904,974 | 4,847,103 | 4,863,087 |
| Capital outlay | 37,712,941 | 7,741,839 | 4,214,917 | 11,484,595 | 4,347,528 |
| Debt service - | | | | | |
| Principal retirement | 2,251,102 | 2,846,892 | 2,432,791 | 2,188,086 | 2,034,657 |
| Interest and fiscal charges | 1,922,125 | 1,248,134 | 914,548 | 989,196 | 1,022,504 |
| Bond issuance costs | | 543,813 | | 51,191 | 42,617 |
| Total expenditures | <u>\$ 93,497,335</u> | <u>\$ 66,541,519</u> | <u>\$ 54,576,515</u> | <u>\$ 65,134,865</u> | <u>\$ 54,506,620</u> |
| Expenditures for capitalized assets | \$ 31,780,284 | \$ 7,162,733 | \$ 1,807,285 | \$ 8,626,941 | \$ 2,713,837 |
| Debt service as a percentage of noncapital expenditures | 7% | 7% | 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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures: | | | | | |
| Current - | | | | | |
| Instruction | \$ 21,322,962 | \$ 20,676,769 | \$ 20,234,887 | \$ 20,172,488 | \$ 19,476,377 |
| Support services - students and staff | 6,510,832 | 6,154,941 | 5,952,268 | 6,155,479 | 5,960,392 |
| Support services - administration | 4,578,367 | 4,887,361 | 4,190,570 | 4,312,939 | 3,796,371 |
| Operation and maintenance of plant services | 3,537,682 | 3,590,342 | 3,181,678 | 3,663,224 | 3,749,721 |
| Student transportation services | 1,450,378 | 1,436,582 | 1,278,064 | 1,456,182 | 1,390,443 |
| Operation of non-instructional services | 4,532,694 | 4,602,476 | 3,527,579 | 3,692,960 | 3,572,384 |
| Capital outlay | 6,489,674 | 4,809,375 | 14,652,734 | 3,634,072 | 4,424,509 |
| Debt service - | | | | | |
| Principal retirement | 1,685,912 | 1,692,727 | 1,620,146 | 1,538,125 | 1,721,621 |
| Interest and fiscal charges | 927,563 | 930,886 | 1,016,745 | 631,050 | 699,503 |
| Bond issuance costs | 61,558 | 46,000 | | 224,741 | |
| Total expenditures | <u>\$ 51,097,622</u> | <u>\$ 48,827,459</u> | <u>\$ 55,654,671</u> | <u>\$ 45,481,260</u> | <u>\$ 44,791,321</u> |
| Expenditures for capitalized assets | \$ 4,974,159 | \$ 2,968,092 | \$ 10,920,526 | \$ 1,074,517 | \$ 1,888,133 |
| Debt service as a percentage of noncapital expenditures | 6% | 6% | 6% | 5% | 6% |

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Excess (deficiency) of revenues over expenditures | \$ (20,019,168) | \$ 3,127,485 | \$ 3,579,129 | \$ (6,615,598) | \$ (246,099) |
| Other financing sources (uses): | | | | | |
| Issuance of school improvement bonds | | 26,750,000 | | 2,971,476 | 2,000,000 |
| Premium on sale of bonds | | 3,211,113 | | | |
| Insurance recoveries | 32,331 | 26,075 | 3,202 | 4,755 | 44,463 |
| Proceeds from sale of capital assets | 6,280 | 26,973 | 23,734 | | |
| Transfers in | 1,351,263 | 1,609,534 | 597,415 | 654,099 | 1,039,105 |
| Transfers out | <u>(1,351,263)</u> | <u>(1,609,534)</u> | <u>(597,415)</u> | <u>(654,099)</u> | <u>(1,039,105)</u> |
| Total other financing sources (uses) | <u>38,611</u> | <u>30,014,161</u> | <u>26,936</u> | <u>2,976,231</u> | <u>2,044,463</u> |
| Changes in fund balances | <u>\$ (19,980,557)</u> | <u>\$ 33,141,646</u> | <u>\$ 3,606,065</u> | <u>\$ (3,639,367)</u> | <u>\$ 1,798,364</u> |
| | | | | | |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Excess (deficiency) of revenues over expenditures | \$ (1,626,670) | \$ (1,583,720) | \$ (10,563,595) | \$ 178,580 | \$ 497,297 |
| Other financing sources (uses): | | | | | |
| Issuance of school improvement bonds | 3,750,000 | 2,390,000 | | 11,860,000 | |
| Premium on sale of bonds | | | | 409,937 | |
| Capital lease agreements | 2,020,000 | | | | |
| Insurance recoveries | 49,668 | 31,772 | | | |
| Transfers in | 500,175 | 454,979 | 470,050 | 668,099 | 385,312 |
| Transfers out | <u>(500,175)</u> | <u>(454,979)</u> | <u>(470,050)</u> | <u>(668,099)</u> | <u>(385,312)</u> |
| Total other financing sources (uses) | <u>5,819,668</u> | <u>2,421,772</u> | <u></u> | <u>12,269,937</u> | <u></u> |
| Changes in fund balances | <u>\$ 4,192,998</u> | <u>\$ 838,052</u> | <u>\$ (10,563,595)</u> | <u>\$ 12,448,517</u> | <u>\$ 497,297</u> |

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Commercial, Industrial, Utilities and Mining | \$ 135,684,424 | \$ 120,561,648 | \$ 115,643,384 | \$ 108,335,175 | \$ 99,545,865 |
| Agricultural and Vacant | 16,045,216 | 15,288,043 | 15,406,243 | 12,705,932 | 11,260,485 |
| Residential (Owner Occupied) | 133,395,130 | 118,778,097 | 108,958,264 | 100,580,183 | 92,738,166 |
| Residential (Rental) | 62,205,971 | 54,699,954 | 51,687,779 | 49,017,531 | 45,570,640 |
| Railroad, Private Cars and Airlines | 1,177,337 | 788,148 | 747,848 | 782,534 | 779,834 |
| Historical Property | | | | | |
| Certain Government Property Improvements | | | | | 33,467 |
| Total | <u>\$ 348,508,078</u> | <u>\$ 310,115,890</u> | <u>\$ 292,443,518</u> | <u>\$ 271,421,355</u> | <u>\$ 249,928,457</u> |
| Gross Full Cash Value | \$ 5,145,099,891 | \$ 4,632,011,780 | \$ 4,251,968,662 | \$ 3,764,134,521 | \$ 3,341,807,620 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 7% | 7% | 7% | 7% | 7% |
| Total Direct Rate | 5.13 | 5.47 | 5.55 | 5.66 | 5.58 |

| <u>Class</u> | <u>Fiscal Year</u> | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Commercial, Industrial, Utilities and Mining | \$ 91,170,396 | \$ 86,685,736 | \$ 88,769,446 | \$ 90,115,979 | \$ 91,009,297 |
| Agricultural and Vacant | 12,111,514 | 12,658,186 | 13,257,222 | 13,568,834 | 15,870,849 |
| Residential (Owner Occupied) | 82,853,013 | 72,812,666 | 66,423,404 | 62,150,024 | 58,080,439 |
| Residential (Rental) | 44,942,993 | 44,055,914 | 43,486,628 | 40,972,735 | 36,060,869 |
| Railroad, Private Cars and Airlines | 831,381 | 653,099 | 707,976 | 751,882 | 674,906 |
| Historical Property | | | 23,155 | 26,820 | 28,598 |
| Certain Government Property Improvements | | | | 54,212 | |
| Total | <u>\$ 231,909,297</u> | <u>\$ 216,865,601</u> | <u>\$ 212,667,831</u> | <u>\$ 207,640,486</u> | <u>\$ 201,724,958</u> |
| Gross Full Cash Value | \$ 2,965,326,105 | \$ 2,729,351,774 | \$ 2,448,365,106 | \$ 2,026,208,346 | \$ 1,818,863,601 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 8% | 8% | 9% | 10% | 11% |
| Total Direct Rate | 5.88 | 5.97 | 5.93 | 5.90 | 5.98 |

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Commercial, Industrial, Utilities and Mining | \$ 190,648,687 | \$ 177,408,946 | \$ 164,952,441 | \$ 150,547,318 | \$ 130,477,328 |
| Agricultural and Vacant | 32,052,625 | 30,642,133 | 28,127,369 | 22,188,927 | 17,827,489 |
| Residential (Owner Occupied) | 223,172,818 | 198,736,605 | 179,091,351 | 154,841,087 | 139,013,726 |
| Residential (Rental) | 111,141,513 | 95,659,300 | 88,919,542 | 77,030,181 | 70,850,652 |
| Railroad, Private Cars and Airlines | 1,555,894 | 1,025,088 | 949,549 | 969,625 | 942,584 |
| Historical Property | | | | | |
| Certain Government Property Improvements | | | | | 52,958 |
| Total | <u>\$ 558,571,537</u> | <u>\$ 503,472,072</u> | <u>\$ 462,040,252</u> | <u>\$ 405,577,138</u> | <u>\$ 359,164,737</u> |
| Gross Full Cash Value | \$ 5,145,099,891 | 4,632,011,780 | 4,251,968,662 | 3,764,134,521 | 3,341,807,620 |
| Ratio of Net Full Cash Assessed Value to Gross Full Cash Value | 11% | 11% | 11% | 11% | 11% |
| Estimated Net Full Cash Value | 4,536,152,868 | 4,023,819,736 | 4,251,968,662 | 3,208,029,267 | 2,862,169,827 |
| Total Direct Rate | 5.13 | 5.47 | 5.55 | 5.66 | 5.58 |

| <u>Class</u> | <u>Fiscal Year</u> | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Commercial, Industrial, Utilities and Mining | \$ 118,188,274 | \$ 112,013,804 | \$ 102,727,234 | \$ 92,418,862 | \$ 91,848,309 |
| Agricultural and Vacant | 18,337,984 | 19,039,422 | 16,371,305 | 14,516,444 | 16,597,784 |
| Residential (Owner Occupied) | 117,126,150 | 102,125,338 | 91,097,821 | 69,217,449 | 58,127,943 |
| Residential (Rental) | 64,303,840 | 60,867,572 | 58,786,878 | 45,525,827 | 36,827,465 |
| Railroad, Private Cars and Airlines | 970,916 | 699,273 | 721,525 | 758,920 | 681,266 |
| Historical Property | | | 92,620 | 101,916 | 111,531 |
| Certain Government Property Improvements | | | | 59,574 | |
| Total | <u>\$ 318,927,164</u> | <u>\$ 294,745,409</u> | <u>\$ 269,797,383</u> | <u>\$ 222,598,992</u> | <u>\$ 204,194,298</u> |
| Gross Full Cash Value | \$ 2,965,326,105 | 2,729,351,774 | 2,448,365,106 | 2,026,208,346 | 1,818,863,601 |
| Ratio of Net Full Cash Assessed Value to Gross Full Cash Value | 11% | 11% | 11% | 11% | 11% |
| Estimated Net Full Cash Value | 2,965,326,105 | 2,307,734,253 | 2,081,962,044 | 1,664,704,689 | 1,469,587,053 |
| Total Direct Rate | 5.88 | 5.97 | 5.93 | 5.90 | 5.98 |

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Commercial, Industrial, Utilities and Mining | 18 % | 18 % | 18 % | 18 % | 18 % |
| Agricultural and Vacant | 15 | 15 | 15 | 15 | 15 |
| Residential (Owner Occupied) | 10 | 10 | 10 | 10 | 10 |
| Residential (Rental) | 10 | 10 | 10 | 10 | 10 |
| Railroad, Private Cars and Airlines | 15 | 15 | 15 | 15 | 14 |

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

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

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

Littleton Elementary School District No. 65
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Overlapping Rates | | | | | | | | District Direct Rates | | |
|------------------------------------|-------------------|--------|---------------------|---------------------|--------------------------|---------------------|---------------------|---|-----------------------|-----------|-------|
| | State | County | Community | Flood | Water | City of Avondale | City of Tolleson | Tolleson Union High School District No. 214 | Primary | Secondary | Total |
| | Equalization | | College District | Control District | Conservation District | | | | | | |
| 2023 | | 1.25 | 1.19 | 0.16 | 0.14 | 1.55 | 2.68 | 5.41 | 1.97 | 3.17 | 5.13 |
| 2022 | 0.43 | 1.35 | 1.23 | 0.18 | 0.14 | 1.42 | 2.75 | 4.73 | 2.18 | 3.29 | 5.47 |
| 2021 | 0.44 | 1.40 | 1.29 | 0.18 | 0.14 | 1.42 | 3.53 | 4.71 | 2.17 | 3.37 | 5.55 |
| 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 |

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

Note: There was no state equalization levy for the year ended June 30, 2023.

Littleton Elementary School District No. 65
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

| Taxpayer | 2023 | | 2014 | |
|---|--------------------------------|---|----------------------------------|---|
| | 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 |
| Smiths food & drug centers inc | \$ 20,257,969 | 5.81 % | | |
| SVC Manufacturing inc | 17,959,106 | 5.15 | | |
| Phoenix Speedway Corp | 14,524,112 | 4.17 | | |
| Salr River Project | 13,517,536 | 3.88 | | |
| J & J Coldwater LLC | 12,662,399 | 3.63 | | |
| Avondale Commerce LLC | 8,660,735 | 2.49 | | |
| CPUS fairway LP | 8,163,672 | 2.34 | | |
| JIC Avondale LLC | 8,074,388 | 2.32 | | |
| Arizona Public Service Company | 7,689,604 | 2.21 | 4,302,669 | 2.11 % |
| SREIT loop 101 phase II LLC | 7,116,946 | 2.04 | | |
| VHS of South Phoenix, Inc | | | 1,636,244 | 0.80 |
| Macy's Retail Holdings, Inc. | | | 1,453,850 | 0.71 |
| DH Goodyear LLC | | | 1,255,461 | 0.61 |
| Wigwam (Inn inc.) Country Development Co. | | | 1,082,872 | 0.53 |
| Southwest Gas Corp | | | 1,027,168 | 0.50 |
| The Market at Estrella Falls LLC | | | 953,108 | 0.47 |
| Mirabella Avondale Apartments LLC | | | 931,588 | 0.46 |
| First American Title Ins. Co. | | | 862,665 | 0.42 |
| Cardinal Capital Co. | | | 845,061 | 0.41 |
| Total | <u>\$ 118,626,467</u> | <u>34.04 %</u> | <u>\$ 14,350,686</u> | <u>7.02 %</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 |
| 2023 | \$ 17,931,891 | \$ 17,370,903 | 96.87 % | \$ | \$ 17,370,903 | 96.87 % |
| 2022 | 16,915,936 | 16,400,610 | 96.95 | 509,478 | 16,910,088 | 99.97 |
| 2021 | 16,287,360 | 15,666,296 | 96.19 | 615,624 | 16,281,920 | 99.97 |
| 2020 | 15,395,349 | 14,926,252 | 96.95 | 460,178 | 15,386,430 | 99.94 |
| 2019 | 14,044,116 | 13,637,320 | 97.10 | 400,926 | 14,038,246 | 99.96 |
| 2018 | 13,692,709 | 13,264,299 | 96.87 | 427,379 | 13,691,678 | 99.99 |
| 2017 | 12,252,638 | 11,856,051 | 96.76 | 395,843 | 12,251,894 | 99.99 |
| 2016 | 12,519,102 | 12,297,642 | 98.23 | 220,677 | 12,518,319 | 99.99 |
| 2015 | 12,761,428 | 12,344,821 | 96.74 | 415,865 | 12,760,686 | 99.99 |
| 2014 | 12,144,131 | 11,777,361 | 96.98 | 366,325 | 12,143,686 | 100.00 |

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

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

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

Littleton Elementary School District No. 65
Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | General Obligation Bonds | | | | | | Total Outstanding Debt | | | | | | |
|------------------------------------|--------------------------------|---|---------------|---|---|---------------|------------------------|---|-------|---------------|-------------------------------------|------|---|
| | General Obligation Bonds | Less: Amounts Restricted for Principal | Total | Percentage of Estimated Actual Value (Full Cash Value) | | Per Capita | Finance Purchases | Percentage of Estimated Actual Value (Full Cash Value) | | Per Capita | Percentage of Personal Income | | |
| | | | | | | | | | | | | | |
| 2023 | \$ 49,932,141 | \$ 774,430 | \$ 49,157,711 | 0.97 | % | \$ 939 | \$ 1,255,510 | \$ 51,187,651 | 0.99 | % | \$ 962 | N/A | % |
| 2022 | 52,805,471 | 511,280 | 52,294,191 | 1.14 | | 1,126 | 1,416,612 | 54,222,083 | 1.17 | | 1,157 | 0.02 | |
| 2021 | 25,248,293 | 328,815 | 24,919,478 | 0.59 | | 550 | 1,573,504 | 26,821,797 | 0.63 | | 584 | 0.01 | |
| 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 | 11.06 | | 582 | 2,269,038 | 27,912,406 | 12.04 | | 633 | 0.01 | |
| 2017 | 23,517,018 | 654,955 | 22,862,063 | 10.84 | | 537 | 359,950 | 23,876,968 | 11.01 | | 545 | 0.01 | |
| 2016 | 22,704,838 | 411,700 | 22,293,138 | 10.68 | | 535 | 462,677 | 23,167,515 | 10.89 | | 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 | |

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

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

Littleton Elementary School District No. 65
Direct and Overlapping Governmental Activities Debt
June 30, 2022

| <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 | \$ 135,585,000 | 0.64 % | \$ 867,744 |
| Maricopa County Special Health District | 600,335,000 | 0.64 | \$ 4,307,442 |
| City of Avondale | 53,609,000 | 37.60 | 20,156,984 |
| City of Goodyear | 431,070,451 | 0.01 | 43,107 |
| City of Phoenix | 815,395,000 | 0.36 | 2,935,422 |
| City of Tolleson | 9,775,000 | 18.22 | 1,781,005 |
| Western Maricopa Education Center | 130,195,000 | 1.73 | 2,252,374 |
| Tolleson Union High School District No. 214 | 271,233,928 | 21.64 | 58,695,022 |
| Subtotal, Overlapping Debt | | | <u>91,039,100</u> |
| Direct: | | | |
| Littleton Elementary School District No. 65 | 51,187,651 | 100.00 | <u>51,187,651</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 142,226,751</u> |

Direct and Overlapping General Bonded Debt Ratios

| | | |
|---|----------|---|
| Net Direct General Obligation Bonded Debt | | |
| As a Percentage of Net Limited Assessed Valuation | 14.11 | % |
| Net Direct and Overlapping General Bonded Debt | | |
| Per Capita | \$ 2,635 | |
| As a Percentage of Net Limited Assessed Valuation | 40.23 | % |
| As a Percentage of Gross Full Cash Value | 0.99 | % |

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, 2021 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 2023:

| | |
|------------------------------------|----------------------------|
| Net full cash assessed valuation | \$ 558,571,537 |
| Debt limit (10% of assessed value) | 55,857,154 |
| Debt applicable to limit | <u>49,005,000</u> |
| Legal debt margin | <u><u>\$ 6,852,154</u></u> |

Total Legal Debt Margin Calculation for Fiscal Year 2023:

| | |
|------------------------------------|-----------------------------|
| Net full cash assessed valuation | \$ 558,571,537 |
| Debt limit (15% of assessed value) | 83,785,731 |
| Debt applicable to limit | <u>49,005,000</u> |
| Legal debt margin | <u><u>\$ 34,780,731</u></u> |

Fiscal Year Ended June 30

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt Limit | \$ 83,785,731 | \$ 75,520,811 | \$ 69,306,038 | \$ 60,836,571 | \$ 53,874,711 |
| Total net debt applicable to limit | <u>49,005,000</u> | <u>51,965,000</u> | <u>24,975,000</u> | <u>26,885,000</u> | <u>25,705,000</u> |
| Legal debt margin | <u><u>\$ 34,780,731</u></u> | <u><u>\$ 23,555,811</u></u> | <u><u>\$ 44,331,038</u></u> | <u><u>\$ 33,951,571</u></u> | <u><u>\$ 28,169,711</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 58% | 69% | 36% | 44% | 48% |

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| Debt Limit | \$ 47,839,075 | \$ 44,211,811 | \$ 40,469,607 | \$ 33,389,849 | \$ 30,629,145 |
| Total net debt applicable to limit | <u>25,280,000</u> | <u>23,120,000</u> | <u>22,255,000</u> | <u>24,207,657</u> | <u>13,607,765</u> |
| Legal debt margin | <u><u>\$ 22,559,075</u></u> | <u><u>\$ 21,091,811</u></u> | <u><u>\$ 18,214,607</u></u> | <u><u>\$ 9,182,192</u></u> | <u><u>\$ 17,021,380</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 53% | 52% | 55% | 73% | 44% |

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 |
|-------------|-------------------|--|------------------------------|------------------------------|--|
| 2022 | 4,586,431 | \$ N/A | \$ N/A | 3.3 % | 53,196 |
| 2021 | 4,507,419 | 268,713,717 | 59,759 | 4.5 | 46,877 |
| 2020 | 4,329,227 | 196,779,825 | 45,454 | 7.5 | 45,918 |
| 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 |

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" is the Arizona Office of Employment and Population Statistics.

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

Littleton Elementary School District No. 65
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

| Employer | 2023 | | 2014 | |
|--------------------------|------------------|--------------------------------|------------------|--------------------------------|
| | Employees | Percentage of Total Employment | Employees | Percentage of Total Employment |
| Banner Health | 28,740 | 1.56 % | 25,270 | 1.48 % |
| State of Arizona | 25,640 | 1.39 | 49,278 | 2.88 |
| Walmart | 20,080 | 1.09 | 32,169 | 1.88 |
| Amazon | 18,780 | 1.02 | | |
| Frys Food Stores | 15,620 | 0.85 | | |
| Wells Fargo | 13,960 | 0.76 | 14,713 | 0.86 |
| Maricopa County | 12,730 | 0.69 | 12,698 | 0.74 |
| Intel Corporation | 11,810 | 0.64 | 11,900 | 0.70 |
| Arizona State University | 11,360 | 0.62 | 12,222 | 0.71 |
| City of Phoenix | 10,430 | 0.57 | 14,983 | 0.88 |
| Bank of America | | | 11,000 | 0.64 |
| JP Morgan Chase & Co | | | 11,042 | 0.65 |
| Total | <u>169,150</u> | <u>9.19 %</u> | <u>195,275</u> | <u>11.42 %</u> |
| Total employment | <u>1,845,910</u> | | <u>1,710,000</u> | |

Source: The source of this county-wide information is the Maricopa Association of Governments.
The source of the "Total employment" for 2020 is the U.S. Department of Labor, Bureau of Labor Statistics, by Arizona Department of Administration, Office of Employment and Population Statistics. The source of the remaining information is Elliot D. Pollack & Co., the Greater Phoenix Economic Council, and the Arizona Department of Economic Security.

Littleton Elementary School District No. 65
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

| | | Full-time Equivalent Employees as of June 30 | | | | |
|-------------------------------------|--|---|--------------------|--------------------|--------------------|--------------------|
| | | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Supervisory | | | | | | |
| Superintendent/principals | | 9 | 8 | 9 | 8 | 8 |
| Assistant principals | | 8 | 8 | 7 | 7 | 7 |
| Total supervisory | | <u>17</u> | <u>16</u> | <u>16</u> | <u>15</u> | <u>15</u> |
| Instruction | | | | | | |
| Teachers | | 323 | 335 | 327 | 290 | 342 |
| Other professionals (instructional) | | 49 | 21 | 19 | 12 | 21 |
| Aides | | 85 | 70 | 71 | 94 | 92 |
| Total instruction | | <u>457</u> | <u>426</u> | <u>417</u> | <u>396</u> | <u>455</u> |
| Support and Administration | | | | | | |
| Managers | | 16 | 17 | 16 | 16 | 16 |
| Other classified | | 290 | 147 | 127 | 127 | 141 |
| Total support and administration | | <u>306</u> | <u>164</u> | <u>143</u> | <u>143</u> | <u>157</u> |
| Total | | <u><u>780</u></u> | <u><u>606</u></u> | <u><u>576</u></u> | <u><u>554</u></u> | <u><u>627</u></u> |

(Continued)

Littleton Elementary School District No. 65
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Supervisory | | | | | |
| Superintendent/principals | 8 | 8 | 8 | 7 | 7 |
| Assistant principals | 7 | 6 | 6 | 10 | 11 |
| Total supervisory | <u>15</u> | <u>14</u> | <u>14</u> | <u>17</u> | <u>18</u> |
| Instruction | | | | | |
| Teachers | 332 | 325 | 293 | 297 | 289 |
| Other professionals (instructional) | 21 | 36 | 24 | 23 | 24 |
| Aides | 81 | 76 | 83 | 92 | 77 |
| Total instruction | <u>434</u> | <u>437</u> | <u>400</u> | <u>412</u> | <u>390</u> |
| Support and Administration | | | | | |
| Managers | 16 | 17 | 10 | 10 | 8 |
| Other classified | 146 | 148 | 93 | 114 | 110 |
| Total support and administration | <u>162</u> | <u>165</u> | <u>103</u> | <u>124</u> | <u>118</u> |
| Total | <u>611</u> | <u>616</u> | <u>517</u> | <u>553</u> | <u>526</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 |
|--|---|-----------------------------------|-------------------------------|------------------------------|-----------------|-------------------------------|------------------------------|---------------------------|-------------------------------------|--|
| 2023 | 5,490 | \$ 51,611,167 | \$ 9,401 | (7.61) % | \$ 64,217,711 | \$ 11,697 | 2.77 % | 323 | 17.0 | 62.0 % |
| 2022 | 5,323 | 54,160,841 | 10,175 | 14.10 | 60,587,314 | 11,382 | 6.29 | 335 | 15.9 | 76.8 |
| 2021 | 5,272 | 47,014,259 | 8,918 | 3.25 | 56,458,237 | 10,709 | 6.53 | 327 | 16.1 | 76.8 |
| 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 |

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>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| <u>Schools</u> | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Buildings | 28 | 28 | 28 | 28 | 28 | 28 | 27 | 25 | 25 | 25 |
| Square feet | 678,804 | 678,804 | 678,804 | 678,804 | 678,804 | 678,804 | 658,092 | 586,505 | 586,505 | 586,505 |
| Capacity | 8,260 | 8,260 | 8,260 | 8,260 | 8,260 | 8,260 | 7,882 | 7,261 | 7,261 | 7,261 |
| Enrollment | 5,971 | 5,971 | 5,698 | 6,340 | 6,218 | 6,113 | 5,903 | 5,607 | 5,607 | 5,623 |
| <u>Administrative</u> | | | | | | | | | | |
| Buildings | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square feet | 444,687 | 444,687 | 44,687 | 44,687 | 44,687 | 44,687 | 44,678 | 44,678 | 44,678 | 44,678 |
| <u>Transportation</u> | | | | | | | | | | |
| Garages | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Buses | 33 | 32 | 31 | 31 | 29 | 26 | 25 | 25 | 25 | 25 |

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