

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



LEADING...in Learning, Caring and Growing

1600 S. 107th Avenue • Avondale, AZ 85323

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

AVONDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Issued by:
Business and Finance Department

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

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INTRODUCTORY SECTION

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LITTLETON ELEMENTARY SCHOOL DISTRICT #65

LEADING...in Learning, Caring and Growing

P.O. BOX 280, Cashion, Arizona 85329

December 6, 2012

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, 2012.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, 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 unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight, with an estimated current enrollment of 5,300.

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. As of June 30th, there is one vacant seat on the Governing Board. It will be filled at the November election. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

The District was organized in 1912 and is located about 15 miles west of downtown Phoenix. The District boundaries encompass approximately 30 square miles, which include portions of the City of Phoenix, the City of Avondale and the City of Tolleson. The unincorporated City of Cashion is also included in the District. The District is included in the area served by the Tolleson Union High School District No. 214.

Avondale is located in the southwestern portion of the metropolitan Phoenix area and in the central portion of the County, contiguous to the communities of Litchfield Park to the north, Phoenix to the north and east, Tolleson to the east and Goodyear to the north and west. Unique to Avondale is the convergence of the Gila, Salt and Agua Fria rivers within Avondale. The Phoenix International Raceway is also included in the boundaries for the District. Avondale was incorporated in 1946 and is considered one of the fastest growing residential areas in the County. The population statistics for the City of Avondale according to the 2000 Census was 35,883 and the 2010 Special Census and Estimate was 76,238.

Due to the District's close proximity to the Phoenix Metropolitan area and its strategic location on the I-10 corridor, it is included in the westward expansion of the City. Although agriculture has been the economic mainstay of the area for many years, the attraction of commerce, light manufacturing and residential development are contributing to the District's growth and economic diversity. Home building over the last decade within the District boundaries saw a steady increase, although the last few years it has been stagnant. This growth affected student population and since 2002 enrollment increased from 1,367 to the current enrollment of 5,300 students.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. Avondale is developing from an agriculturally based community into a center for commerce and light industry. Avondale's economy is a mix of services, retail and manufacturing. Avondale has two employment corridors that are able to access a labor pool of more than a million employees within a 30-minute commute. The I-10 Corridor and the

Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center that includes a 16,000 square foot Hilton complex. Some of the firms operating within the boundaries include Avondale Auto Group, Wal-Mart, Fry's Food & Drug Store, Universal Technical Institute, Costco, Home Depot, Sam's Club, Rudolfo Bros. Plastering, Express Way STS, Cemex and Earthblend Custom Landscapes. A new retail center opened in 2009 and includes Staples, Fresh and Easy Supermarket, Jack in the Box, and Panda Express. The area is experiencing some expansion in retail service centers and commercial facilities. New housing starts declined beginning in 2009 due to the state of the economy in Arizona. The city is governed by a mayor and six council members.

The Phoenix metropolitan area and the rest of Maricopa County had been one of the fastest growing regional markets in the United States. The slow economic climate statewide has affected growth within the District. Recovery is expected to be slow at first with true growth returning in as little as two to three years. The number of manufacturing and wholesale business located in the metropolitan area is approaching 3,000. This growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2011 population was estimated at 3,843,370 and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

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

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

Long-term Financial Planning. The District opened its seventh elementary school, Tres Rios, in August 2008 and closed an existing middle school, Underdown. The District adopted a new vision to have all schools be kindergarten through 8th grade. The campus that was closed is now seeing new life as the site for the new district administration facility, which was completed in December 2009. New Schools are funded primarily through the Arizona School Facilities Board. The average age of the school buildings is 24 years.

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

After years of growth, the District experienced a flat line in student numbers during the 2009-2010 school year as development of new housing has slowed throughout the District, but for the 2010-2011 school year the enrollment has stabilized. The secondary assessed value has grown at an average rate of 21 percent over the last 10 years and has decreased over the last three years, but it is stabilizing.

The District continues to see student growth as the projected enrollment is expected to exceed 5,300. This is about a 2 percent increase. Estimates indicate that a 1-3 percent growth rate will continue for the next 3 – 5 years.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the second consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2011-12 certificates.

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

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Roger S. Freeman, Ed.D.
Superintendent



Ken Hicks
Executive Director for Business Services

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Littleton

Elementary School District No. 65

Arizona

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christophe P. Moine

President

Jeffrey R. Enen

Executive Director

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Jeannie Myrick
President

Michael Pineda
Vice President

Kathy Reyes
Member

Michael Armstrong
Member

Sandi Nielson
Member

ADMINISTRATIVE STAFF

Roger S. Freeman, Ed.D.
Superintendent

Paul Tighe, Ed.D.
Assistant Superintendent

Ken Hicks
Executive Director for Business Resources

Lisa Kelley
Executive Director of Human Resources

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Littleton Elementary School District No. 65

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Littleton Elementary School District No. 65 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Littleton Elementary School District No. 65, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, on our consideration of the Littleton Elementary School District No. 65's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as the introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 6, 2012

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, 2012**

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, 2012. 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 assets of governmental activities decreased \$3.2 million, which represents a 5 percent decrease from the prior fiscal year, as a result of a decrease in capital contributions.
- General revenues accounted for \$28.4 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.7 million, or 19 percent of total current fiscal year revenues.
- The District had approximately \$38.3 million in expenses related to governmental activities, an increase of 6 percent from the prior fiscal year, as a result of an increase in instructional expenses due to an enrollment increase, continued implementation of the District bond program and an increased need for instructional materials.
- Among major funds, the General Fund had \$24.5 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$28 million in expenditures. The General Fund's fund balance decreased from \$7.8 million at the prior fiscal year end to \$4.6 at the end of the current fiscal year was primarily due to a decrease in property tax revenues and an increase in instructional expenses.

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, 2012

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$66.3 million at the current fiscal year end.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. 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 assets are restricted by statute for special purposes, debt service repayment and capital outlay investment.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	As of June 30, 2012	As of June 30, 2011
Current and other assets	\$ 17,862,381	\$ 24,298,386
Capital assets, net	71,054,320	69,288,605
Total assets, net	<u>88,916,701</u>	<u>93,586,991</u>
Current and other liabilities	4,109,553	3,009,891
Long-term liabilities	18,484,673	21,021,387
Total liabilities	<u>22,594,226</u>	<u>24,031,278</u>
Net assets:		
Invested in capital assets, net of related debt	55,256,201	55,214,369
Restricted	6,093,331	8,176,072
Unrestricted	4,972,943	6,165,272
Total net assets	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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 Assets.

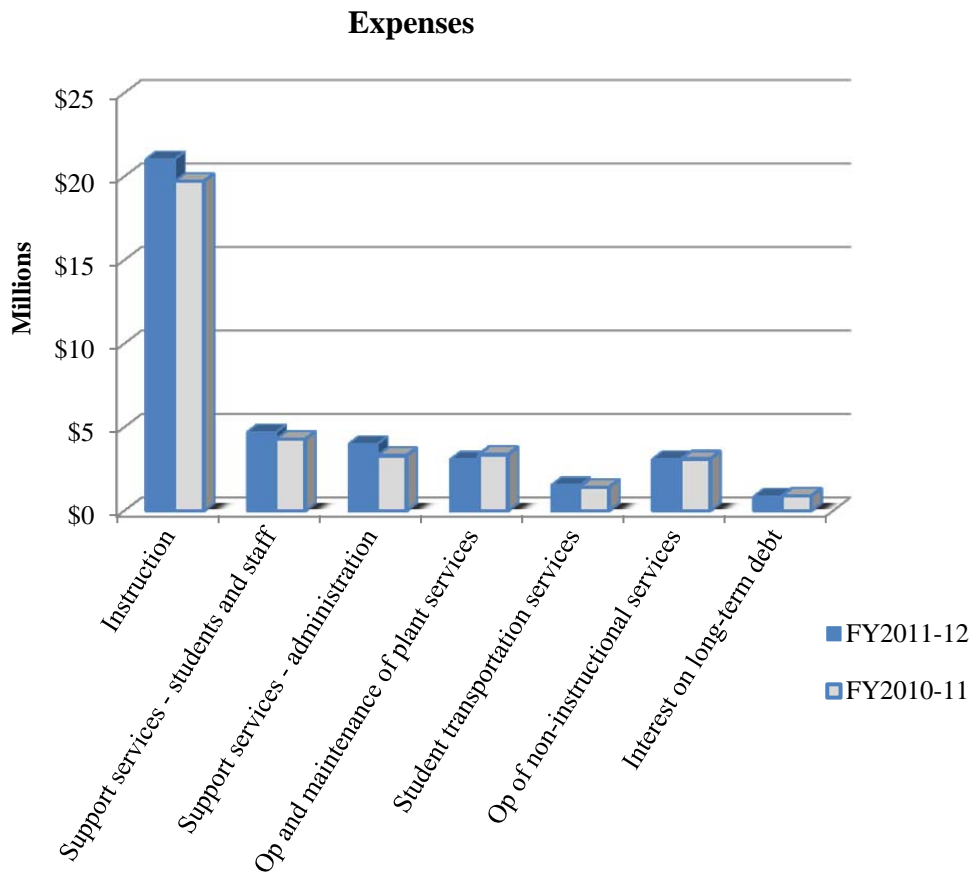
- The principal retirement of \$2.0 million of bonds.
- The net addition of \$3.8 million in capital assets through school improvements, and purchases of vehicles and equipment.

Changes in net assets. The District's total revenues for the current fiscal year were \$35.1 million. The total cost of all programs and services was \$38.3 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 905,887	\$ 679,518
Operating grants and contributions	5,661,056	5,423,342
Capital grants and contributions	175,301	3,694,346
General revenues:		
Property taxes	9,300,553	10,557,524
Investment income	73,013	188,897
Unrestricted county aid	1,751,852	1,746,005
Unrestricted state aid	17,243,476	17,151,308
Unrestricted federal aid	204,011	204,011
Total revenues	<u>35,111,138</u>	<u>39,644,951</u>
Expenses:		
Instruction	21,048,410	19,716,894
Support services – students and staff	4,722,586	4,284,328
Support services – administration	4,009,757	3,306,402
Operation and maintenance of plant services	3,070,856	3,363,703
Student transportation services	1,537,027	1,413,880
Operation of non-instructional services	3,099,530	3,095,289
Interest on long-term debt	856,210	891,287
Total expenses	<u>38,344,376</u>	<u>36,071,783</u>
Change in net assets	<u>(3,233,238)</u>	<u>3,573,168</u>
Net assets, beginning	69,555,713	65,982,545
Net assets, ending	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Increase of \$1.3 million in instruction expense due primarily to an increase in enrollment and an increased need for instructional materials.
- Decrease of \$1.3 million in property tax revenue due primarily to a reduction in assessed property taxes.
- Decrease of \$3.5 million in capital grants and contributions due primarily to donations of land in the prior fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Year Ended June 30, 2012		Year Ended June 30, 2011	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 21,048,410	\$ (19,245,800)	\$ 19,716,894	\$ (15,075,220)
Support services – students and staff	4,722,586	(4,218,231)	4,284,328	(3,493,449)
Support services – administration	4,009,757	(3,427,240)	3,306,402	(2,894,291)
Operation and maintenance of plant services	3,070,856	(2,933,407)	3,363,703	(3,033,121)
Student transportation services	1,537,027	(1,461,959)	1,413,880	(1,361,903)
Operation of non-instructional services	3,099,530	270,254	3,095,289	219,398
Interest on long-term debt	856,210	(585,749)	891,287	(635,991)
Total	<u>\$ 38,344,376</u>	<u>\$ (31,602,132)</u>	<u>\$ 36,071,783</u>	<u>\$ (26,274,577)</u>

- The cost of all governmental activities this year was \$38.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$6.7 million.
- Net cost of governmental activities of \$31.6 million was financed by general revenues, which are made up of primarily property taxes of \$9.3 million and state aid of \$17.2 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)

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 \$11.3 million, a decrease of \$7.0 million due primarily to a decrease in property tax revenues and an increase in instructional expenditures.

The General Fund comprises 41 percent of the total fund balance. Approximately \$2.7 million, or 59 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$3.2 million in the General Fund to \$4.6 million as of fiscal year end was primarily a result of expenditures exceeding revenues due to utilization of prior year fund balance. General Fund revenues decreased \$1.6 million as a result of a \$1.1 million decrease in property tax revenues. General Fund expenditures increased \$2.7 million. This was a result of an increase in enrollment and increased need for instructional materials.

Fund balance of the Food Service Fund increased \$205,666 due to an increase in federal aid revenue.

Fund balance of the Debt Service Fund increased \$926,905 due to an increase in property tax revenue and a reduction in principal retirement.

Fund balance of the Bond Building Fund decreased \$3.9 million due to the utilization of prior year fund balance.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to an increase in membership during the fiscal year. The difference between the original budget and the final amended budget was a \$411,831 increase, or 2 percent. Significant variances for the final amended budget and actual revenues resulted from the District no longer being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variance is summarized as follows:

- The favorable variance of \$553,945 in instruction was a result of unspent budget balance carryforward from the prior fiscal year.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$84.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$3.7 million from the prior fiscal year, primarily due to school improvements, and purchases of vehicles and equipment. Total depreciation expense for the current fiscal year was \$2.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2012 and June 30, 2011.

	As of <u>June 30, 2012</u>	As of <u>June 30, 2011</u>
Capital assets – non-depreciable	\$ 6,919,265	\$ 7,463,048
Capital assets – depreciable, net	<u>64,135,055</u>	<u>61,825,557</u>
Total	<u>\$ 71,054,320</u>	<u>\$ 69,288,605</u>

The estimated cost to complete current construction projects is \$121,914.

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

Debt Administration. At year-end, the District had \$17.9 million in long-term debt outstanding, \$1.8 million due within one year. This represents a net decrease of \$2.2 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$38.2 million and the Class B debt limit is \$12.7 million. The District exceeded the Class B bond limit due to the recent drop in assessed values; however, after the last bond issuance in July 2010, the District's outstanding Class B debt was below the limit.

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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 2012-13 budget. Among them:

- Fiscal year 2011-12 budget balance carry forward (estimated \$500,000).
- District student population (estimated 5,300).
- Employee salaries.

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

Budgeted expenditures in the General Fund decreased to \$25.4 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2012-13 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Littleton Elementary School District No. 65, 1600 S. 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 ASSETS
JUNE 30, 2012

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,399,246
Property taxes receivable	741,855
Due from governmental entities	7,194,493
Prepaid items	526,787
Total current assets	<u>17,862,381</u>
Noncurrent assets:	
Land	6,760,068
Land improvements	1,007,927
Buildings and improvements	71,109,986
Vehicles, furniture and equipment	5,750,197
Construction in progress	159,197
Accumulated depreciation	<u>(13,733,055)</u>
Total noncurrent assets	<u>71,054,320</u>
Total assets	<u>88,916,701</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	503,946
Construction contracts payable	570,203
Credit line payable	2,076,000
Accrued payroll and employee benefits	564,765
Compensated absences payable	60,000
Accrued interest payable	391,797
Unearned revenues	2,842
Obligations under capital leases	75,598
Bonds payable	1,685,000
Total current liabilities	<u>5,930,151</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>16,664,075</u>
Total noncurrent liabilities	<u>16,664,075</u>
Total liabilities	<u>22,594,226</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	55,256,201
Restricted for:	
Federal and state projects	671,434
Food service	719,140
Other local initiatives	514,426
Debt service	1,490,420
Capital outlay	2,697,911
Unrestricted	4,972,943
Total net assets	<u>\$ 66,322,475</u>

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 21,048,410	\$ 467,777	\$ 1,159,532	\$ 175,301	\$ (19,245,800)
Support services - students and staff	4,722,586		504,355		(4,218,231)
Support services - administration	4,009,757		582,517		(3,427,240)
Operation and maintenance of plant services	3,070,856	134,918	2,531		(2,933,407)
Student transportation services	1,537,027		75,068		(1,461,959)
Operation of non-instructional services	3,099,530	303,192	3,066,592		270,254
Interest on long-term debt	856,210		270,461		(585,749)
Total governmental activities	<u>\$ 38,344,376</u>	<u>\$ 905,887</u>	<u>\$ 5,661,056</u>	<u>\$ 175,301</u>	<u>(31,602,132)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					6,223,517
Property taxes, levied for debt service					3,077,036
Investment income					73,013
Unrestricted county aid					1,751,852
Unrestricted state aid					17,243,476
Total general revenues					<u>28,368,894</u>
Changes in net assets					(3,233,238)
Net assets, beginning of year					<u>69,555,713</u>
Net assets, end of year					<u>\$ 66,322,475</u>

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

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FUND FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
<u>ASSETS</u>			
Cash and investments	\$ 200,651	\$ 448,047	\$ 3,368,599
Property taxes receivable	668,357		73,498
Due from governmental entities	5,865,498	312,306	125,120
Due from other funds	576,591		
Prepaid items	526,787		
Total assets	<u><u>\$ 7,837,884</u></u>	<u><u>\$ 760,353</u></u>	<u><u>\$ 3,567,217</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 462,733	\$ 41,213	\$
Construction contracts payable			
Credit line payable	2,076,000		
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues	657,051		61,685
Bonds payable			1,685,000
Bond interest payable			391,797
Total liabilities	<u><u>3,195,784</u></u>	<u><u>41,213</u></u>	<u><u>2,138,482</u></u>
Fund balances:			
Nonspendable	526,787		
Restricted	1,379,702	719,140	1,428,735
Unassigned	2,735,611		
Total fund balances	<u><u>4,642,100</u></u>	<u><u>719,140</u></u>	<u><u>1,428,735</u></u>
Total liabilities and fund balances	<u><u>\$ 7,837,884</u></u>	<u><u>\$ 760,353</u></u>	<u><u>\$ 3,567,217</u></u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,162,312	\$ 3,219,637	\$ 9,399,246
		741,855
	891,569	7,194,493
		576,591
		526,787
<u>\$ 2,162,312</u>	<u>\$ 4,111,206</u>	<u>\$ 18,438,972</u>
\$ 107,264	\$ 462,939	\$ 503,946
		570,203
		2,076,000
	576,591	576,591
	564,765	564,765
	2,842	721,578
		1,685,000
		391,797
<u>107,264</u>	<u>1,607,137</u>	<u>7,089,880</u>
2,055,048	2,504,069	526,787
		8,086,694
		2,735,611
<u>2,055,048</u>	<u>2,504,069</u>	<u>11,349,092</u>
<u>\$ 2,162,312</u>	<u>\$ 4,111,206</u>	<u>\$ 18,438,972</u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances	\$	11,349,092
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 84,787,375	
Less accumulated depreciation	<u>(13,733,055)</u>	71,054,320

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	718,736
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(631,506)	
Obligations under capital leases	(803,167)	
Bonds payable	<u>(15,365,000)</u>	<u>(16,799,673)</u>

Net assets of governmental activities	\$	<u>66,322,475</u>
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The notes to the basic financial statements are an integral part of this statement.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 2,124,250	\$ 302,210	\$ 20,404
Property taxes	6,327,713		3,108,945
State aid and grants	15,837,044		
Federal aid, grants and reimbursements	191,563	3,214,406	250,240
Total revenues	<u>24,480,570</u>	<u>3,516,616</u>	<u>3,379,589</u>
Expenditures:			
Current -			
Instruction	16,382,015		
Support services - students and staff	3,837,075		
Support services - administration	3,213,630		
Operation and maintenance of plant services	2,744,935		
Student transportation services	1,179,892		
Operation of non-instructional services	77,335	2,959,273	
Capital outlay	377,923	107,319	
Debt service -			
Principal retirement	134,146		1,685,000
Interest and fiscal charges	70,464		785,746
Total expenditures	<u>28,017,415</u>	<u>3,066,592</u>	<u>2,470,746</u>
Excess (deficiency) of revenues over expenditures	<u>(3,536,845)</u>	<u>450,024</u>	<u>908,843</u>
Other financing sources (uses):			
Transfers in	277,752		18,062
Transfers out		(244,358)	
Total other financing sources (uses):	<u>277,752</u>	<u>(244,358)</u>	<u>18,062</u>
Changes in fund balances	<u>(3,259,093)</u>	<u>205,666</u>	<u>926,905</u>
Fund balances, beginning of year	7,839,907	513,474	501,830
Increase (decrease) in reserve for prepaid items	61,286		
Fund balances, end of year	<u>\$ 4,642,100</u>	<u>\$ 719,140</u>	<u>\$ 1,428,735</u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 18,062	\$ 366,120	\$ 2,831,046
		9,436,658
	1,449,386	17,286,430
	2,083,462	5,739,671
<u>18,062</u>	<u>3,898,968</u>	<u>35,293,805</u>
	2,413,703	18,795,718
	669,711	4,506,786
	540,619	3,754,249
	66,383	2,811,318
	68,226	1,248,118
		3,036,608
3,893,029	1,151,667	5,529,938
		1,819,146
		856,210
<u>3,893,029</u>	<u>4,910,309</u>	<u>42,358,091</u>
<u>(3,874,967)</u>	<u>(1,011,341)</u>	<u>(7,064,286)</u>
		295,814
<u>(18,062)</u>	<u>(33,394)</u>	<u>(295,814)</u>
<u>(18,062)</u>	<u>(33,394)</u>	
<u>(3,893,029)</u>	<u>(1,044,735)</u>	<u>(7,064,286)</u>
5,948,077	3,548,804	18,352,092
		61,286
<u>\$ 2,055,048</u>	<u>\$ 2,504,069</u>	<u>\$ 11,349,092</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net changes in fund balances - total governmental funds **\$ (7,003,000)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 3,795,463	
Less current year depreciation	<u>(2,029,748)</u>	1,765,715

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

Property taxes	(136,105)	
Intergovernmental	<u>(46,562)</u>	(182,667)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Capital lease principal retirement	134,146	
Bond principal retirement	<u>1,685,000</u>	1,819,146

Compensated absences 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.

367,568

Change in net assets in governmental activities **\$ (3,233,238)**

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 46,658
Total assets	<u>\$ 46,658</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 18,038
Due to student groups	28,620
Total liabilities	<u>\$ 46,658</u>

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted County, and State aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Property taxes, State and County aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred 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 deferred revenue on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as the Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, School Opening, Insurance Proceeds, Litigation Recovery, Indirect Costs, Advertisement, Unrestricted Capital Outlay and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Food Service – The Food Service Fund accounts for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash 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.

E. Investment Income

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.”

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

G. Property Tax Calendar

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10 percent from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and when purchased in the funds.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Capital Assets

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	15 - 50 years
Vehicles, furniture and equipment	5 - 20 years

J. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at the rate of one day for each calendar month or fraction thereof worked. In the event of termination, an employee is reimbursed for accrued sick leave at varying rates depending on position of classified or certified and the number of sick days accumulated. All 12-month classified employees earn vacation; however, vacation time may only accumulate to a maximum of 25 days for administrators and 15 days for non-administrators. The current and long term liabilities, including related benefits, for accumulated vacation and sick leave, are reported on the government-wide financial statements. A liability for these amounts is recorded in the governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

K. 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 assets. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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.

L. 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.

M. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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.

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.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

The District applies restricted resources first when expenditures 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, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	General Fund	Food Service Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 526,787	\$	\$	\$	\$
Restricted:					
Debt service			1,428,735		
Capital projects	1,379,702				1,318,209
Bond building projects				2,055,048	
Voter approved initiatives					481,720
Federal and State projects					189,714
Food service		719,140			
Other purposes					514,426
Unassigned	2,735,611				
Total fund balances	<u>\$ 4,642,100</u>	<u>\$ 719,140</u>	<u>\$ 1,428,735</u>	<u>\$ 2,055,048</u>	<u>\$ 2,504,069</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 – CASH AND INVESTMENTS

A.R.S. authorize the District to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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 \$544,825 and the bank balance was \$544,825.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	375 days	\$ 8,901,079
Total		<u>\$ 8,901,079</u>

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

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

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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.

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:				
Due from Federal government	\$	\$ 312,306	\$ 125,120	\$ 605,650
Due from State government	<u>5,865,498</u>	<u> </u>	<u> </u>	<u>285,919</u>
Net due from governmental entities	<u>\$ 5,865,498</u>	<u>\$ 312,306</u>	<u>\$ 125,120</u>	<u>\$ 891,569</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 657,051	\$
Delinquent property taxes receivable (Debt Service Fund)	61,685	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)	<u> </u>	2,842
Total deferred revenue for governmental funds	<u>\$ 718,736</u>	<u>\$ 2,842</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	\$ 5,675,828	\$ 1,084,240	\$	\$ 6,760,068
Construction in progress	1,787,220	2,396,794	4,024,817	159,197
Total capital assets, not being depreciated	7,463,048	3,481,034	4,024,817	6,919,265
Capital assets, being depreciated:				
Land improvements	1,007,927			1,007,927
Buildings and improvements	67,096,322	4,013,664		71,109,986
Vehicles, furniture and equipment	5,514,355	325,582	89,740	5,750,197
Total capital assets being depreciated	73,618,604	4,339,246	89,740	77,868,110
Less accumulated depreciation for:				
Land improvements	(626,705)	(53,548)		(680,253)
Buildings and improvements	(9,052,573)	(1,400,071)		(10,452,644)
Vehicles, furniture and equipment	(2,113,769)	(576,129)	(89,740)	(2,600,158)
Total accumulated depreciation	(11,793,047)	(2,029,748)	(89,740)	(13,733,055)
Total capital assets, being depreciated, net	61,825,557	2,309,498		64,135,055
Governmental activities capital assets, net	\$ 69,288,605	\$ 5,790,532	\$ 4,024,817	\$ 71,054,320

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,439,805
Support services – students and staff	74,245
Support services – administration	101,619
Operation and maintenance of plant services	214,386
Student transportation services	165,183
Operation of non-instructional services	34,510
Total depreciation expense – governmental activities	<u>\$ 2,029,748</u>

Construction Commitments – At year end, the District had a contractual commitment related to the renovation of Littleton Elementary School. At year end, the District had spent \$159,197 on the project and had an estimated remaining contractual commitment of \$121,914. This project is being funded with bond proceeds.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – SHORT TERM DEBT – LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit. Short-term debt activity for the current fiscal year, was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ <u> </u>	\$ <u>8,255,000</u>	\$ <u>6,179,000</u>	\$ <u>2,076,000</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired energy upgrades under the provision of a long-term lease agreement classified as a capital lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, are used to pay the capital lease obligation.

The assets acquired through capital leases that meet the District's capitalization threshold are as follows.

	Governmental Activities
Asset:	
Building improvements	\$ 938,038
Vehicles, furniture and equipment	269,384
Less: Accumulated depreciation	<u>314,386</u>
Total	<u>\$ 893,036</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)

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

Year Ending June 30:	Governmental Activities
2013	\$ 136,917
2014	136,916
2015	136,917
2016	136,917
2017	136,916
2018-20	410,750
Total minimum lease payments	<u>1,095,333</u>
Less: amount representing interest	<u>292,166</u>
Present value of minimum lease payments	<u>803,167</u>
Due within one year	<u>\$ 75,598</u>

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation and refunding bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
General Obligation Refunding					
Bonds, Series 2001	\$ 1,230,000	4.875-5.0%	7/1/12-14	\$ 775,000	\$ 250,000
School Improvement Bonds, Project of 2006, Series A (2007)	8,000,000	4.0%	7/1/12-15	2,480,000	1,060,000
School Improvement Bonds, Project of 2006, Series B (2007)	7,830,000	3.25-4.0%	7/1/12-20	6,805,000	375,000
School Improvement Bonds, Project of 2009 Series A-1 (2010)	4,600,000	6.623%	7/1/18-27	4,600,000	
School Improvement Bonds, Project of 2009 Series A-2 (2010)	3,000,000	3.0-4.0%	7/1/14-17	2,390,000	
Total				<u>\$ 17,050,000</u>	<u>\$ 1,685,000</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2013	\$ 1,685,000	\$ 750,208
2014	1,880,000	679,439
2015	1,640,000	611,258
2016	1,450,000	554,833
2017	1,500,000	499,208
2018-22	6,120,000	1,584,528
2023-27	2,300,000	541,430
2028	475,000	15,730
Total	<u>\$ 17,050,000</u>	<u>\$ 5,236,634</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$1,695,000 of defeased bonds are still outstanding.

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	\$ 19,085,000	\$	\$ 2,035,000	\$ 17,050,000	\$ 1,685,000
Obligations under capital leases	937,313		134,146	803,167	75,598
Compensated absences payable	999,074	419,050	786,618	631,506	60,000
Governmental activity long-term liabilities	<u>\$ 21,021,387</u>	<u>\$ 419,050</u>	<u>\$ 2,955,764</u>	<u>\$ 18,484,673</u>	<u>\$ 1,820,598</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

<u>Due to</u>	<u>Due from</u>
Non-Major Governmental	General
Funds	Fund
	\$ 576,591
Total	<u>\$ 576,591</u>

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

Interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>		
	General	Debt	
	Fund	Service	Total
		Fund	
Food Service Fund	\$ 244,358	\$	\$ 244,358
Bond Building Fund		18,062	18,062
Non-Major Governmental			
Funds	33,394		33,394
Total	<u>\$ 277,752</u>	<u>\$ 18,062</u>	<u>\$ 295,814</u>

Transfers between funds were used to 1) move investment income and premium earned in the Bond Building Fund, that are required by statute to be expended in the Debt Service Fund and 2) to move Federal grant funds restricted for indirect costs.

NOTE 12 – CONTINGENT LIABILITIES

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 – CONTINGENT LIABILITIES (Concl'd)

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

NOTE 13 – RISK MANAGEMENT

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

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

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Plan Description – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 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 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30,			
2012	\$ 1,792,601	\$ 114,421	\$ 43,589
2011	1,653,931	108,304	45,892
2010	1,658,697	131,264	79,554

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
(Required Supplementary Information)**

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$ 1,735,000	\$ 1,735,000	\$ 1,876,372	\$ 141,372
Property taxes	6,400,000	6,400,000	6,327,713	(72,287)
State aid and grants	14,815,000	14,815,000	14,766,583	(48,417)
Total revenues	<u>22,950,000</u>	<u>22,950,000</u>	<u>22,970,668</u>	<u>20,668</u>
Expenditures:				
Current -				
Instruction	15,990,966	15,487,330	14,933,385	553,945
Support services - students and staff	3,013,242	3,701,031	3,643,336	57,695
Support services - administration	2,470,756	2,700,837	2,881,477	(180,640)
Operation and maintenance of plant services	2,978,204	2,872,513	2,740,286	132,227
Student transportation services	1,074,014	1,177,302	1,170,389	6,913
Operation of non-instructional services	27,821	27,821	77,335	(49,514)
Total expenditures	<u>25,555,003</u>	<u>25,966,834</u>	<u>25,446,208</u>	<u>520,626</u>
Changes in fund balances	<u>(2,605,003)</u>	<u>(3,016,834)</u>	<u>(2,475,540)</u>	<u>541,294</u>
Fund balances, beginning of year	90,000	90,000	505,234	415,234
Increase (decrease) in reserve for prepaid items			61,286	61,286
Fund balances (deficits), end of year	<u>\$ (2,515,003)</u>	<u>\$ (2,926,834)</u>	<u>\$ (1,909,020)</u>	<u>\$ 1,017,814</u>

See accompanying notes to this schedule.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$ 253,300	\$ 253,300	\$ 302,210	\$ 48,910
Federal aid, grants and reimbursements	3,100,000	3,100,000	3,214,406	114,406
Total revenues	<u>3,353,300</u>	<u>3,353,300</u>	<u>3,516,616</u>	<u>163,316</u>
Expenditures:				
Current -				
Operation of non-instructional services	2,840,590	3,193,858	2,959,273	234,585
Capital outlay			107,319	(107,319)
Total expenditures	<u>2,840,590</u>	<u>3,193,858</u>	<u>3,066,592</u>	<u>127,266</u>
Excess (deficiency) of revenues over expenditures	<u>512,710</u>	<u>159,442</u>	<u>450,024</u>	<u>290,582</u>
Other financing sources (uses):				
Transfers out	(240,000)	(240,000)	(244,358)	(4,358)
Total other financing sources (uses):	<u>(240,000)</u>	<u>(240,000)</u>	<u>(244,358)</u>	<u>(4,358)</u>
Changes in fund balances	<u>272,710</u>	<u>(80,558)</u>	<u>205,666</u>	<u>286,224</u>
Fund balances, beginning of year	508,857	508,857	513,474	4,617
Fund balances, end of year	<u>\$ 781,567</u>	<u>\$ 428,299</u>	<u>\$ 719,140</u>	<u>\$ 290,841</u>

See accompanying notes to this schedule.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds and 2) a portion of the fiscal year 2011-12 insurance payments were budgeted for in fiscal year 2010-11. Consequently, the following adjustments were necessary to present actual expenditures, fund balance at July 1, 2011 and fund balance at June 30, 2012 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2012</u>	<u>Fund Balance, July 1, 2011</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 28,017,415	\$ 4,642,100	\$ 7,839,907
Fiscal year 2011-12 activity budgeted as special revenue funds	(760,183)	(2,953,001)	(3,053,318)
Fiscal year 2011-12 activity budgeted as capital projects funds	(961,024)	(3,598,119)	(3,431,355)
Fiscal year 2011-12 insurance payments budgeted in 2010-11	<u>(850,000)</u>	<u> </u>	<u>(850,000)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 25,446,208</u>	<u>\$ (1,909,020)</u>	<u>\$ 505,234</u>

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

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GOVERNMENTAL FUNDS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,438,489	\$ 1,781,148	\$ 3,219,637
Due from governmental entities	891,569		891,569
Total assets	<u><u>\$ 2,330,058</u></u>	<u><u>\$ 1,781,148</u></u>	<u><u>\$ 4,111,206</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$ 576,591	\$ 462,939	\$ 462,939
Due to other funds	564,765		564,765
Accrued payroll and employee benefits	2,842		2,842
Deferred revenues	<u>1,144,198</u>	<u>462,939</u>	<u>1,607,137</u>
Total liabilities	<u><u>1,144,198</u></u>	<u><u>462,939</u></u>	<u><u>1,607,137</u></u>
Fund balances:			
Restricted	<u>1,185,860</u>	<u>1,318,209</u>	<u>2,504,069</u>
Total fund balances	<u><u>1,185,860</u></u>	<u><u>1,318,209</u></u>	<u><u>2,504,069</u></u>
Total liabilities and fund balances	<u><u>\$ 2,330,058</u></u>	<u><u>\$ 1,781,148</u></u>	<u><u>\$ 4,111,206</u></u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 320,201	\$ 45,919	\$ 366,120
State aid and grants	1,449,386		1,449,386
Federal aid, grants and reimbursements	2,083,462		2,083,462
Total revenues	<u>3,853,049</u>	<u>45,919</u>	<u>3,898,968</u>
Expenditures:			
Current -			
Instruction	2,413,703		2,413,703
Support services - students and staff	669,711		669,711
Support services - administration	540,619		540,619
Operation and maintenance of plant services	66,383		66,383
Student transportation services	68,226		68,226
Capital outlay	111,715	1,039,952	1,151,667
Total expenditures	<u>3,870,357</u>	<u>1,039,952</u>	<u>4,910,309</u>
Excess (deficiency) of revenues over expenditures	<u>(17,308)</u>	<u>(994,033)</u>	<u>(1,011,341)</u>
Other financing sources (uses):			
Transfers out	(33,394)		(33,394)
Total other financing sources (uses):	<u>(33,394)</u>		<u>(33,394)</u>
Changes in fund balances	<u>(50,702)</u>	<u>(994,033)</u>	<u>(1,044,735)</u>
Fund balances, beginning of year	1,236,562	2,312,242	3,548,804
Fund balances, end of year	<u>\$ 1,185,860</u>	<u>\$ 1,318,209</u>	<u>\$ 2,504,069</u>

SPECIAL REVENUE FUNDS

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

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

County, City and Town Grants - to account for monies received from county, city and town grants.

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

Limited English & Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Homeless Education – to account for financial assistance received for the education of homeless students.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

SPECIAL REVENUE FUNDS
(Concluded)

School Plant - to account for proceeds from the sale or lease of school property.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

School Opening - to account for monies transferred in from the Maintenance and Operation Fund to be expended for maintenance and operation purposes incurred in the first year of operation of a new school within the District.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies transferred from Federal projects for administrative costs.

Insurance Refund - to account for insurance premium payments that are refunded to the District.

Advertisement - to account for monies received from the sale of advertising.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$ 518,237	\$ 242,329	\$ 1,585
Due from governmental entities	202,812	83,107	
Total assets	<u>\$ 721,049</u>	<u>\$ 325,436</u>	<u>\$ 1,585</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$ 564,765	\$	\$
Accrued payroll and employee benefits			
Deferred revenues			1,585
Total liabilities	<u>564,765</u>		<u>1,585</u>
Fund balances:			
Restricted	156,284	325,436	
Total fund balances	<u>156,284</u>	<u>325,436</u>	
Total liabilities and fund balances	<u>\$ 721,049</u>	<u>\$ 325,436</u>	<u>\$ 1,585</u>

<u>Compensatory Instruction</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>
\$ 585	\$ 9,108	\$ 12	\$ 18,835	\$ 27,399	\$ 30,506
<u>\$ 585</u>	<u>\$ 9,108</u>	<u>\$ 12</u>	<u>\$ 18,835</u>	<u>\$ 27,399</u>	<u>\$ 30,506</u>
\$ 585	\$ 9,108	\$ 12	\$ 18,835	\$ 27,399	\$ 30,506
<u>585</u>	<u>9,108</u>	<u>12</u>	<u>18,835</u>	<u>27,399</u>	<u>30,506</u>
<u>\$ 585</u>	<u>\$ 9,108</u>	<u>\$ 12</u>	<u>\$ 18,835</u>	<u>\$ 27,399</u>	<u>\$ 30,506</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Homeless Education	E-Rate	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 660	\$ 160,655	\$
Due from governmental entities		29,059	490,743
Total assets	<u>\$ 660</u>	<u>\$ 189,714</u>	<u>\$ 490,743</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$ 490,743
Accrued payroll and employee benefits			
Deferred revenues	660		
Total liabilities	<u>660</u>		<u>490,743</u>
Fund balances:			
Restricted		189,714	
Total fund balances		<u>189,714</u>	
Total liabilities and fund balances	<u>\$ 660</u>	<u>\$ 189,714</u>	<u>\$ 490,743</u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
\$ 264,546	\$ 143,383	\$ 67,539	\$ 357	\$ 23,717	\$ 14,884
<u>\$ 264,546</u>	<u>\$ 143,383</u>	<u>\$ 67,539</u>	<u>\$ 357</u>	<u>\$ 23,717</u>	<u>\$ 14,884</u>
\$	\$	\$	\$	\$	\$
264,546	143,383	67,539	357	23,717	14,884
<u>264,546</u>	<u>143,383</u>	<u>67,539</u>	<u>357</u>	<u>23,717</u>	<u>14,884</u>
\$ 264,546	\$ 143,383	\$ 67,539	\$ 357	\$ 23,717	\$ 14,884
<u>\$ 264,546</u>	<u>\$ 143,383</u>	<u>\$ 67,539</u>	<u>\$ 357</u>	<u>\$ 23,717</u>	<u>\$ 14,884</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Totals</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,438,489
Due from governmental entities	<u>891,569</u>
Total assets	<u><u>\$ 2,330,058</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Due to other funds	\$ 576,591
Accrued payroll and employee benefits	564,765
Deferred revenues	<u>2,842</u>
Total liabilities	<u>1,144,198</u>
 Fund balances:	
Restricted	<u>1,185,860</u>
Total fund balances	<u>1,185,860</u>
 Total liabilities and fund balances	<u><u>\$ 2,330,058</u></u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 2,621	\$ 1,608	\$ 6,005
State aid and grants	1,215,493	190,939	
Federal aid, grants and reimbursements			
Total revenues	<u>1,218,114</u>	<u>192,547</u>	<u>6,005</u>
Expenditures:			
Current -			
Instruction	1,512,729		6,005
Support services - students and staff	63,110	185,103	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay		36,000	
Total expenditures	<u>1,575,839</u>	<u>221,103</u>	<u>6,005</u>
Excess (deficiency) of revenues over expenditures	<u>(357,725)</u>	<u>(28,556)</u>	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(357,725)</u>	<u>(28,556)</u>	
Fund balances, beginning of year	514,009	353,992	
Fund balances, end of year	<u>\$ 156,284</u>	<u>\$ 325,436</u>	<u>\$</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants
\$	\$	\$	\$	\$	\$
42,954					
	351,173	77,116	56,967	142,805	724,515
42,954	351,173	77,116	56,967	142,805	724,515
42,954	224,142		53,510	52,983	501,692
	111,604	69,504	1,967	86,993	130,561
	1,948	5,929	250		7,893
	1,299				
	3,390				50,498
					15,569
42,954	342,383	75,433	55,727	139,976	706,213
	8,790	1,683	1,240	2,829	18,302
	(8,790)	(1,683)	(1,240)	(2,829)	(18,302)
	(8,790)	(1,683)	(1,240)	(2,829)	(18,302)
\$	\$	\$	\$	\$	\$

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$ 457	\$
State aid and grants			
Federal aid, grants and reimbursements	21,290	218,853	490,743
Total revenues	<u>21,290</u>	<u>219,310</u>	<u>490,743</u>
Expenditures:			
Current -			
Instruction	726		
Support services - students and staff	9,852	9,328	
Support services - administration		22,587	490,743
Operation and maintenance of plant services			
Student transportation services	10,162		
Capital outlay		60,146	
Total expenditures	<u>20,740</u>	<u>92,061</u>	<u>490,743</u>
Excess (deficiency) of revenues over expenditures	<u>550</u>	<u>127,249</u>	
Other financing sources (uses):			
Transfers out	(550)		
Total other financing sources (uses):	<u>(550)</u>		
Changes in fund balances		<u>127,249</u>	
Fund balances, beginning of year		62,465	
Fund balances, end of year	<u>\$</u>	<u>\$ 189,714</u>	<u>\$</u>

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund
\$ 136,386	\$ 137,893	\$ 31,842	\$ 927	\$ 2,377	\$ 85
<u>136,386</u>	<u>137,893</u>	<u>31,842</u>	<u>927</u>	<u>2,377</u>	<u>85</u>
831	9,243	8,888			
10,139	1,272	417			
65,084			1,130		
		4,176			
<u>76,054</u>	<u>10,515</u>	<u>13,481</u>	<u>1,130</u>		
<u>60,332</u>	<u>127,378</u>	<u>18,361</u>	<u>(203)</u>	<u>2,377</u>	<u>85</u>
<u>60,332</u>	<u>127,378</u>	<u>18,361</u>	<u>(203)</u>	<u>2,377</u>	<u>85</u>
204,214	16,005	49,178	560	21,340	14,799
<u>\$ 264,546</u>	<u>\$ 143,383</u>	<u>\$ 67,539</u>	<u>\$ 357</u>	<u>\$ 23,717</u>	<u>\$ 14,884</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Totals</u>
Revenues:	
Other local	\$ 320,201
State aid and grants	1,449,386
Federal aid, grants and reimbursements	<u>2,083,462</u>
Total revenues	<u>3,853,049</u>
Expenditures:	
Current -	
Instruction	2,413,703
Support services - students and staff	669,711
Support services - administration	540,619
Operation and maintenance of plant services	66,383
Student transportation services	68,226
Capital outlay	<u>111,715</u>
Total expenditures	<u>3,870,357</u>
Excess (deficiency) of revenues over expenditures	<u>(17,308)</u>
Other financing sources (uses):	
Transfers out	<u>(33,394)</u>
Total other financing sources (uses):	<u>(33,394)</u>
Changes in fund balances	<u>(50,702)</u>
Fund balances, beginning of year	1,236,562
Fund balances, end of year	<u><u>\$ 1,185,860</u></u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,621	\$ 2,621
State aid and grants		1,215,493	1,215,493
Federal aid, grants and reimbursements			
Total revenues		<u>1,218,114</u>	<u>1,218,114</u>
Expenditures:			
Current -			
Instruction	2,244,502	1,512,729	731,773
Support services - students and staff	15,919	63,110	(47,191)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u>2,260,421</u>	<u>1,575,839</u>	<u>684,582</u>
Excess (deficiency) of revenues over expenditures	<u>(2,260,421)</u>	<u>(357,725)</u>	<u>1,902,696</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,260,421)</u>	<u>(357,725)</u>	<u>1,902,696</u>
Fund balances, beginning of year		514,009	514,009
Fund balances (deficits), end of year	<u>\$ (2,260,421)</u>	<u>\$ 156,284</u>	<u>\$ 2,416,705</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,608 190,939	\$ 1,608 190,939	\$	\$ 6,005	\$ 6,005
	192,547	192,547		6,005	6,005
171,910	185,103	(13,193)	6,000	6,005	(5)
40,000	36,000	4,000			
211,910	221,103	(9,193)	6,000	6,005	(5)
(211,910)	(28,556)	183,354	(6,000)		6,000
(211,910)	(28,556)	183,354	(6,000)		6,000
	353,992	353,992			
\$ (211,910)	\$ 325,436	\$ 537,346	\$ (6,000)	\$	\$ 6,000

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants	44,540	42,954	(1,586)
Federal aid, grants and reimbursements			
Total revenues	<u>44,540</u>	<u>42,954</u>	<u>(1,586)</u>
Expenditures:			
Current -			
Instruction	44,540	42,954	1,586
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u>44,540</u>	<u>42,954</u>	<u>1,586</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
585		(585)			
			389,568	351,173	(38,395)
585		(585)	389,568	351,173	(38,395)
585		585	289,568	224,142	65,426
			100,000	111,604	(11,604)
				1,948	(1,948)
				1,299	(1,299)
				3,390	(3,390)
585		585	389,568	342,383	47,185
				8,790	8,790
				(8,790)	(8,790)
				(8,790)	(8,790)
\$	\$	\$	\$	\$	\$

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	86,209	77,116	(9,093)
Total revenues	<u>86,209</u>	<u>77,116</u>	<u>(9,093)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	80,000	69,504	10,496
Support services - administration	6,209	5,929	280
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u>86,209</u>	<u>75,433</u>	<u>10,776</u>
Excess (deficiency) of revenues over expenditures		<u>1,683</u>	<u>1,683</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,683)	(1,683)
Total other financing sources (uses):		<u>(1,683)</u>	<u>(1,683)</u>
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
60,000	56,967	(3,033)	149,501	142,805	(6,696)
60,000	56,967	(3,033)	149,501	142,805	(6,696)
60,000	53,510	6,490	59,501	52,983	6,518
	1,967	(1,967)	90,000	86,993	3,007
	250	(250)			
60,000	55,727	4,273	149,501	139,976	9,525
	1,240	1,240		2,829	2,829
	(1,240)	(1,240)		(2,829)	(2,829)
	(1,240)	(1,240)		(2,829)	(2,829)
\$	\$	\$	\$	\$	\$

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	801,524	724,515	(77,009)
Total revenues	<u>801,524</u>	<u>724,515</u>	<u>(77,009)</u>
Expenditures:			
Current -			
Instruction	550,000	501,692	48,308
Support services - students and staff	140,000	130,561	9,439
Support services - administration	10,000	7,893	2,107
Operation and maintenance of plant services			
Student transportation services	60,000	50,498	9,502
Capital outlay	41,524	15,569	25,955
Total expenditures	<u>801,524</u>	<u>706,213</u>	<u>95,311</u>
Excess (deficiency) of revenues over expenditures		<u>18,302</u>	<u>18,302</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(18,302)	(18,302)
Total other financing sources (uses):		<u>(18,302)</u>	<u>(18,302)</u>
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 6,512	\$ 6,512
	21,290	21,290	376,050	171,342	(204,708)
	21,290	21,290	376,050	177,854	(198,196)
	726	(726)	209,050	81,369	127,681
	9,852	(9,852)	30,000	18,260	11,740
			30,000	17,051	12,949
			2,000	899	1,101
	10,162	(10,162)	5,000	1,152	3,848
			100,000	56,586	43,414
	20,740	(20,740)	376,050	175,317	200,733
	550	550		2,537	2,537
	(550)	(550)			
	(550)	(550)			
				2,537	2,537
				1,560,352	1,560,352
\$	\$	\$	\$	\$ 1,562,889	\$ 1,562,889

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	E-Rate		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 457	\$ 457
State aid and grants			
Federal aid, grants and reimbursements	104,500	218,853	114,353
Total revenues	<u>104,500</u>	<u>219,310</u>	<u>114,810</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	9,500	9,328	172
Support services - administration	30,000	22,587	7,413
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	65,000	60,146	4,854
Total expenditures	<u>104,500</u>	<u>92,061</u>	<u>12,439</u>
Excess (deficiency) of revenues over expenditures		<u>127,249</u>	<u>127,249</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>127,249</u>	<u>127,249</u>
Fund balances, beginning of year		62,465	62,465
Fund balances, end of year	<u>\$</u>	<u>\$ 189,714</u>	<u>\$ 189,714</u>

Other Federal Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 29,314	\$ 29,291	\$ (23)
490,743	490,743		29,314	29,291	(23)
490,743	490,743				
490,743	490,743		6,000	6,210	(210)
490,743	490,743		6,000	6,210	(210)
			23,314	23,081	(233)
			23,314	23,081	(233)
			125,890	125,892	2
\$	\$	\$	\$ 149,204	\$ 148,973	\$ (231)

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 136,400	\$ 136,386	\$ (14)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>136,400</u>	<u>136,386</u>	<u>(14)</u>
Expenditures:			
Current -			
Instruction		831	(831)
Support services - students and staff			
Support services - administration	5,000	10,139	(5,139)
Operation and maintenance of plant services	65,000	65,084	(84)
Student transportation services			
Capital outlay			
Total expenditures	<u>70,000</u>	<u>76,054</u>	<u>(6,054)</u>
Excess (deficiency) of revenues over expenditures	<u>66,400</u>	<u>60,332</u>	<u>(6,068)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>66,400</u>	<u>60,332</u>	<u>(6,068)</u>
Fund balances, beginning of year	204,213	204,214	1
Fund balances, end of year	<u>\$ 270,613</u>	<u>\$ 264,546</u>	<u>\$ (6,067)</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 138,000	\$ 137,893	\$ (107)	\$ 105,200	\$ 105,160	\$ (40)
<u>138,000</u>	<u>137,893</u>	<u>(107)</u>	<u>105,200</u>	<u>105,160</u>	<u>(40)</u>
40,000	9,243	30,757	20,000	26,867	(6,867)
	1,272	(1,272)	40,000	40,812	(812)
			5,000	6,282	(1,282)
				434	(434)
<u>40,000</u>	<u>10,515</u>	<u>29,485</u>	<u>65,000</u>	<u>74,395</u>	<u>(9,395)</u>
<u>98,000</u>	<u>127,378</u>	<u>29,378</u>	<u>40,200</u>	<u>30,765</u>	<u>(9,435)</u>
<u>98,000</u>	<u>127,378</u>	<u>29,378</u>	<u>40,200</u>	<u>30,765</u>	<u>(9,435)</u>
16,005	16,005		80,060	80,060	
<u>\$ 114,005</u>	<u>\$ 143,383</u>	<u>\$ 29,378</u>	<u>\$ 120,260</u>	<u>\$ 110,825</u>	<u>\$ (9,435)</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 32,000	\$ 31,842	\$ (158)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>32,000</u>	<u>31,842</u>	<u>(158)</u>
Expenditures:			
Current -			
Instruction	25,000	8,888	16,112
Support services - students and staff		417	(417)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	10,000	4,176	5,824
Capital outlay			
Total expenditures	<u>35,000</u>	<u>13,481</u>	<u>21,519</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000)</u>	<u>18,361</u>	<u>21,361</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(3,000)</u>	<u>18,361</u>	<u>21,361</u>
Fund balances, beginning of year	49,178	49,178	
Fund balances (deficits), end of year	<u>\$ 46,178</u>	<u>\$ 67,539</u>	<u>\$ 21,361</u>

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 57,700	\$ 57,642	\$ (58)	\$ 900	\$ 927	\$ 27
<u>57,700</u>	<u>57,642</u>	<u>(58)</u>	<u>900</u>	<u>927</u>	<u>27</u>
30,000	25,855	4,145			
10,000	9,125	875			
5,000	3,839	1,161	5,000	1,130	3,870
5,000	2,069	2,931			
	325	(325)			
<u>50,000</u>	<u>41,213</u>	<u>8,787</u>	<u>5,000</u>	<u>1,130</u>	<u>3,870</u>
<u>7,700</u>	<u>16,429</u>	<u>8,729</u>	<u>(4,100)</u>	<u>(203)</u>	<u>3,897</u>
<u>7,700</u>	<u>16,429</u>	<u>8,729</u>	<u>(4,100)</u>	<u>(203)</u>	<u>3,897</u>
57,392	57,393	1	556	560	4
<u>\$ 65,092</u>	<u>\$ 73,822</u>	<u>\$ 8,730</u>	<u>\$ (3,544)</u>	<u>\$ 357</u>	<u>\$ 3,901</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	School Opening		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 16	\$ 17	\$ 1
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>16</u>	<u>17</u>	<u>1</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u></u>	<u></u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>16</u>	<u>17</u>	<u>1</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>16</u>	<u>17</u>	<u>1</u>
Fund balances, beginning of year	2,909	2,909	
Fund balances (deficits), end of year	<u>\$ 2,925</u>	<u>\$ 2,926</u>	<u>\$ 1</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,050	\$ 1,037	\$ (13)	\$ 2,377	\$ 2,377	\$
<u>1,050</u>	<u>1,037</u>	<u>(13)</u>	<u>2,377</u>	<u>2,377</u>	
40,000		40,000	15,000		15,000
<u>40,000</u>		<u>40,000</u>	<u>15,000</u>		<u>15,000</u>
<u>(38,950)</u>	<u>1,037</u>	<u>39,987</u>	<u>(12,623)</u>	<u>2,377</u>	<u>15,000</u>
<u>(38,950)</u>	<u>1,037</u>	<u>39,987</u>	<u>(12,623)</u>	<u>2,377</u>	<u>15,000</u>
6,361	6,362	1	21,339	21,340	1
<u>\$ (32,589)</u>	<u>\$ 7,399</u>	<u>\$ 39,988</u>	<u>\$ 8,716</u>	<u>\$ 23,717</u>	<u>\$ 15,001</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 9,279	\$ 9,280	\$ 1
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>9,279</u>	<u>9,280</u>	<u>1</u>
Expenditures:			
Current -			
Instruction	30,000		30,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures	<u>30,000</u>	<u></u>	<u>30,000</u>
Excess (deficiency) of revenues over expenditures	<u>(20,721)</u>	<u>9,280</u>	<u>30,001</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(20,721)</u>	<u>9,280</u>	<u>30,001</u>
Fund balances, beginning of year	41,491	41,491	
Fund balances, end of year	<u>\$ 20,770</u>	<u>\$ 50,771</u>	<u>\$ 30,001</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,150	\$ 1,828	\$ (3,322)	\$ 100	\$ 85	\$ (15)
<u>5,150</u>	<u>1,828</u>	<u>(3,322)</u>	<u>100</u>	<u>85</u>	<u>(15)</u>
50,000	26,671	23,329	10,000		10,000
200,000	125,097	74,903			
490,422	304,835	185,587			
5,000	3,750	1,250			
<u>10,000</u>	<u>2,695</u>	<u>7,305</u>	<u>10,000</u>	<u></u>	<u>10,000</u>
<u>755,422</u>	<u>463,048</u>	<u>292,374</u>	<u>10,000</u>	<u></u>	<u>10,000</u>
<u>(750,272)</u>	<u>(461,220)</u>	<u>289,052</u>	<u>(9,900)</u>	<u>85</u>	<u>9,985</u>
270,000	277,752	7,752			
<u>270,000</u>	<u>277,752</u>	<u>7,752</u>	<u></u>	<u></u>	<u></u>
<u>(480,272)</u>	<u>(183,468)</u>	<u>296,804</u>	<u>(9,900)</u>	<u>85</u>	<u>9,985</u>
1,174,682	1,177,981	3,299	14,798	14,799	1
<u>\$ 694,410</u>	<u>\$ 994,513</u>	<u>\$ 300,103</u>	<u>\$ 4,898</u>	<u>\$ 14,884</u>	<u>\$ 9,986</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 5	\$ 5	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>5</u>	<u>5</u>	
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>5</u>	<u>5</u>	
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>5</u>	<u>5</u>	
Fund balances, beginning of year	878	878	
Fund balances (deficits), end of year	<u>\$ 883</u>	<u>\$ 883</u>	<u>\$</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 517,491	\$ 530,973	\$ 13,482
45,125	1,449,386	1,404,261
2,458,095	2,254,804	(203,291)
<u>3,020,711</u>	<u>4,235,163</u>	<u>1,214,452</u>
3,723,746	2,574,465	1,149,281
887,329	863,005	24,324
1,078,374	872,554	205,820
72,000	71,032	968
85,000	77,729	7,271
256,524	171,755	84,769
<u>6,102,973</u>	<u>4,630,540</u>	<u>1,472,433</u>
<u>(3,082,262)</u>	<u>(395,377)</u>	<u>2,686,885</u>
270,000	277,752	7,752
<u>270,000</u>	<u>(33,394)</u>	<u>(33,394)</u>
<u>(2,812,262)</u>	<u>244,358</u>	<u>(25,642)</u>
1,795,752	(151,019)	2,661,243
4,289,880		2,494,128
<u>\$ (1,016,510)</u>	<u>\$ 4,138,861</u>	<u>\$ 5,155,371</u>

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DEBT SERVICE FUND

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$ 285,000	\$ 285,000	\$ 20,404	\$ (264,596)
Property taxes	2,967,934	2,967,934	3,108,945	141,011
Federal aid, grants and reimbursements			250,240	250,240
Total revenues	<u>3,252,934</u>	<u>3,252,934</u>	<u>3,379,589</u>	<u>126,655</u>
Expenditures:				
Debt service -				
Principal retirement	1,685,000	1,685,000	1,685,000	
Interest and fiscal charges	815,000	1,260,000	785,746	474,254
Total expenditures	<u>2,500,000</u>	<u>2,945,000</u>	<u>2,470,746</u>	<u>474,254</u>
Excess (deficiency) of revenues over expenditures	<u>752,934</u>	<u>307,934</u>	<u>908,843</u>	<u>600,909</u>
Other financing sources (uses):				
Transfers in			18,062	18,062
Total other financing sources (uses):			<u>18,062</u>	<u>18,062</u>
Changes in fund balances	<u>752,934</u>	<u>307,934</u>	<u>926,905</u>	<u>618,971</u>
Fund balances, beginning of year	2,935,000	2,935,000	501,830	(2,433,170)
Fund balances, end of year	<u>\$ 3,687,934</u>	<u>\$ 3,242,934</u>	<u>\$ 1,428,735</u>	<u>\$ (1,814,199)</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

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

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

Gifts and Donations - Capital - to account for gifts and donations to be expended for capital acquisitions.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>New School Facilities</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,538,119	\$ 242,131	\$ 898
Total assets	<u>\$ 1,538,119</u>	<u>\$ 242,131</u>	<u>\$ 898</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$ 462,939	\$	\$
Total liabilities	<u>462,939</u>	<u></u>	<u></u>
Fund balances:			
Restricted	1,075,180	242,131	898
Total fund balances	<u>1,075,180</u>	<u>242,131</u>	<u>898</u>
Total liabilities and fund balances	<u>\$ 1,538,119</u>	<u>\$ 242,131</u>	<u>\$ 898</u>

Totals	
\$	1,781,148
\$	1,781,148

\$	462,939
	462,939

	1,318,209
	1,318,209
\$	1,781,148

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Adjacent Ways	Gifts and Donations - Capital	New School Facilities
Revenues:			
Other local	\$ 2,913	\$ 43,000	\$ 6
Total revenues	<u>2,913</u>	<u>43,000</u>	<u>6</u>
Expenditures:			
Capital outlay	1,039,952		
Total expenditures	<u>1,039,952</u>		
Changes in fund balances	<u>(1,037,039)</u>	43,000	6
Fund balances, beginning of year	2,112,219	199,131	892
Fund balances, end of year	<u>\$ 1,075,180</u>	<u>\$ 242,131</u>	<u>\$ 898</u>

Totals	
\$	45,919
	<u>45,919</u>

1,039,952
<u>1,039,952</u>

<u>(994,033)</u>

2,312,242

\$	1,318,209
	<u><u>1,318,209</u></u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 27,500	\$ 24,552	\$ (2,948)
State aid and grants	400,000	399,495	(505)
Federal aid, grants and reimbursements		20,221	20,221
Total revenues	<u>427,500</u>	<u>444,268</u>	<u>16,768</u>
Expenditures:			
Current -			
Instruction	1,164,549	396,772	767,777
Support services - students and staff			
Support services - administration			
Capital outlay	204,000	317,883	(113,883)
Debt service -			
Principal retirement	135,000	134,146	854
Interest and fiscal charges	75,000	70,464	4,536
Total expenditures	<u>1,578,549</u>	<u>919,265</u>	<u>659,284</u>
Excess (deficiency) of revenues over expenditures	<u>(1,151,049)</u>	<u>(474,997)</u>	<u>676,052</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,151,049)</u>	<u>(474,997)</u>	<u>676,052</u>
Fund balances, beginning of year	1,856,000	1,854,699	(1,301)
Fund balances, end of year	<u>\$ 704,951</u>	<u>\$ 1,379,702</u>	<u>\$ 674,751</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 10,000	\$ 2,913	\$ (7,087)	\$ 13,000	\$ 12,554	\$ (446)
			675,000	670,966	(4,034)
<u>10,000</u>	<u>2,913</u>	<u>(7,087)</u>	<u>688,000</u>	<u>683,520</u>	<u>(4,480)</u>
			233,106	41,096	192,010
				445	(445)
				218	(218)
1,500,000	1,039,952	460,048			
<u>1,500,000</u>	<u>1,039,952</u>	<u>460,048</u>	<u>233,106</u>	<u>41,759</u>	<u>191,347</u>
<u>(1,490,000)</u>	<u>(1,037,039)</u>	<u>452,961</u>	<u>454,894</u>	<u>641,761</u>	<u>186,867</u>
<u>(1,490,000)</u>	<u>(1,037,039)</u>	<u>452,961</u>	<u>454,894</u>	<u>641,761</u>	<u>186,867</u>
2,050,000	2,112,219	62,219	157,000	1,576,656	1,419,656
<u>\$ 560,000</u>	<u>\$ 1,075,180</u>	<u>\$ 515,180</u>	<u>\$ 611,894</u>	<u>\$ 2,218,417</u>	<u>\$ 1,606,523</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Bond Building		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 18,062	\$ 18,062
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		18,062	18,062
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	4,910,000	3,893,029	1,016,971
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	4,910,000	3,893,029	1,016,971
Excess (deficiency) of revenues over expenditures	(4,910,000)	(3,874,967)	1,035,033
Other financing sources (uses):			
Transfers out		(18,062)	(18,062)
Total other financing sources (uses):		(18,062)	(18,062)
Changes in fund balances	(4,910,000)	(3,893,029)	1,016,971
Fund balances, beginning of year	5,614,651	5,948,077	333,426
Fund balances, end of year	\$ 704,651	\$ 2,055,048	\$ 1,350,397

Gifts and Donations - Capital			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 43,000	\$ 43,000	\$	\$ 6	\$ 6	\$
43,000	43,000		6	6	
75,000		75,000			
75,000		75,000			
(32,000)	43,000	75,000	6	6	
(32,000)	43,000	75,000	6	6	
199,131	199,131		891	892	1
\$ 167,131	\$ 242,131	\$ 75,000	\$ 897	\$ 898	\$ 1

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 93,506	\$ 101,087	\$ 7,581
State aid and grants	1,075,000	1,070,461	(4,539)
Federal aid, grants and reimbursements		20,221	20,221
Total revenues	<u>1,168,506</u>	<u>1,191,769</u>	<u>23,263</u>
Expenditures:			
Current -			
Instruction	1,397,655	437,868	959,787
Support services - students and staff		445	(445)
Support services - administration		218	(218)
Capital outlay	6,689,000	5,250,864	1,438,136
Debt service -			
Principal retirement	135,000	134,146	854
Interest and fiscal charges	75,000	70,464	4,536
Total expenditures	<u>8,296,655</u>	<u>5,894,005</u>	<u>2,402,650</u>
Excess (deficiency) of revenues over expenditures	<u>(7,128,149)</u>	<u>(4,702,236)</u>	<u>2,425,913</u>
Other financing sources (uses):			
Transfers out		(18,062)	(18,062)
Total other financing sources (uses):		<u>(18,062)</u>	<u>(18,062)</u>
Changes in fund balances	<u>(7,128,149)</u>	<u>(4,720,298)</u>	<u>2,407,851</u>
Fund balances, beginning of year	9,877,673	11,691,674	1,814,001
Fund balances, end of year	<u>\$ 2,749,524</u>	<u>\$ 6,971,376</u>	<u>\$ 4,221,852</u>

AGENCY FUNDS

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

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 28,620	\$ 18,038	\$ 46,658
Total assets	<u>\$ 28,620</u>	<u>\$ 18,038</u>	<u>\$ 46,658</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 18,038	\$ 18,038
Due to student groups	28,620		28,620
Total liabilities	<u>\$ 28,620</u>	<u>\$ 18,038</u>	<u>\$ 46,658</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash	\$ <u>29,028</u>	\$ <u>37,922</u>	\$ <u>38,330</u>	\$ <u>28,620</u>
Total assets	\$ <u><u>29,028</u></u>	\$ <u><u>37,922</u></u>	\$ <u><u>38,330</u></u>	\$ <u><u>28,620</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>29,028</u>	\$ <u>37,922</u>	\$ <u>38,330</u>	\$ <u>28,620</u>
Total liabilities	\$ <u><u>29,028</u></u>	\$ <u><u>37,922</u></u>	\$ <u><u>38,330</u></u>	\$ <u><u>28,620</u></u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash	\$ <u>98,970</u>	\$ <u>8,739,961</u>	<u>8,820,893</u>	\$ <u>18,038</u>
Total assets	\$ <u><u>98,970</u></u>	\$ <u><u>8,739,961</u></u>	\$ <u><u>8,820,893</u></u>	\$ <u><u>18,038</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>98,970</u>	\$ <u>8,739,961</u>	\$ <u>8,820,893</u>	\$ <u>18,038</u>
Total liabilities	\$ <u><u>98,970</u></u>	\$ <u><u>8,739,961</u></u>	\$ <u><u>8,820,893</u></u>	\$ <u><u>18,038</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash	\$ <u>127,998</u>	\$ <u>8,777,883</u>	\$ <u>8,859,223</u>	\$ <u>46,658</u>
Total assets	\$ <u><u>127,998</u></u>	\$ <u><u>8,777,883</u></u>	\$ <u><u>8,859,223</u></u>	\$ <u><u>46,658</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>98,970</u>	\$ <u>8,739,961</u>	\$ <u>8,820,893</u>	\$ <u>18,038</u>
Due to student groups	<u>29,028</u>	<u>37,922</u>	<u>38,330</u>	<u>28,620</u>
Total liabilities	\$ <u><u>127,998</u></u>	\$ <u><u>8,777,883</u></u>	\$ <u><u>8,859,223</u></u>	\$ <u><u>46,658</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 55,256,201	\$ 55,214,369	\$ 51,517,384	\$ 50,763,428	\$ 52,980,118
Restricted	6,093,331	8,176,072	6,415,893	5,554,379	4,472,806
Unrestricted	4,972,943	6,165,272	8,049,268	6,508,051	9,901,890
Total net assets	<u>\$ 66,322,475</u>	<u>\$ 69,555,713</u>	<u>\$ 65,982,545</u>	<u>\$ 62,825,858</u>	<u>\$ 67,354,814</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 31,355,264	\$ 29,454,412	\$ 23,042,068	\$ 19,826,964
Restricted	4,908,662	4,583,487	2,096,385	1,255,154
Unrestricted	6,942,237	5,174,387	3,967,079	2,110,999
Total net assets	<u>\$ 43,206,163</u>	<u>\$ 39,212,286</u>	<u>\$ 29,105,532</u>	<u>\$ 23,193,117</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 21,048,410	\$ 19,716,894	\$ 23,204,700	\$ 25,848,457	\$ 20,617,659
Support services - students and staff	4,722,586	4,284,328	4,351,556	4,910,946	5,167,102
Support services - administration	4,009,757	3,306,402	3,712,449	3,840,626	3,426,984
Operation and maintenance of plant services	3,070,856	3,363,703	3,532,952	3,423,325	2,916,818
Student transportation services	1,537,027	1,413,880	1,055,660	1,565,093	1,454,647
Operation of non-instructional services	3,099,530	3,095,289	2,936,076	2,780,839	2,370,675
Interest on long-term debt	856,210	891,287	765,864	960,599	1,237,136
Total expenses	<u>38,344,376</u>	<u>36,071,783</u>	<u>39,559,257</u>	<u>43,329,885</u>	<u>37,191,021</u>
Program Revenues					
Charges for services:					
Instruction	467,777	114,412	237,127	396,264	508,423
Operation of non-instructional services	303,192	409,644	381,389	473,378	388,098
Other activities	134,918	155,462	87,495	56,365	63,367
Operating grants and contributions	5,661,056	5,423,342	5,929,433	5,824,208	3,491,539
Capital grants and contributions	175,301	3,694,346	281,127	114,245	1,442,548
Total program revenues	<u>6,742,244</u>	<u>9,797,206</u>	<u>6,916,571</u>	<u>6,864,460</u>	<u>5,893,975</u>
Net (Expense)/Revenue	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>	<u>\$ (32,642,686)</u>	<u>\$ (36,465,425)</u>	<u>\$ (31,297,046)</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses				
Instruction	\$ 17,522,405	\$ 14,252,993	\$ 10,089,906	\$ 8,912,940
Support services - students and staff	2,649,334	2,462,815	2,057,007	1,523,809
Support services - administration	3,350,033	2,174,757	1,551,317	1,194,984
Operation and maintenance of plant services	2,698,604	2,117,164	1,555,095	1,233,074
Student transportation services	1,297,133	1,156,611	1,024,241	795,703
Operation of non-instructional services	1,827,002	1,494,223	2,343,078	1,018,034
Interest on long-term debt	110,784	808,049	414,155	365,848
Total expenses	<u>29,455,295</u>	<u>24,466,612</u>	<u>19,034,799</u>	<u>15,044,392</u>
Program Revenues				
Charges for services:				
Instruction	262,007	243,679	132,508	38,772
Operation of non-instructional services	348,301	314,325	287,108	194,882
Other activities	55,441	63,565	18,507	18,806
Operating grants and contributions	3,430,591	3,113,333	3,175,342	2,283,929
Capital grants and contributions	19,300	311,006	146,201	42,043
Total program revenues	<u>4,115,640</u>	<u>4,045,908</u>	<u>3,759,666</u>	<u>2,578,432</u>
Net (Expense)/Revenue	<u>\$ (25,339,655)</u>	<u>\$ (20,420,704)</u>	<u>\$ (15,275,133)</u>	<u>\$ (12,465,960)</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (31,602,132)	\$ (26,274,577)	\$ (32,642,686)	\$ (36,465,425)	\$ (31,297,046)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,223,517	7,475,059	9,027,112	6,807,742	6,596,017
Property taxes, levied for debt service	3,077,036	2,967,448	1,598,734	2,461,356	2,311,249
Property taxes, levied for capital outlay		115,017	2,632,358	3,486,758	1,588,834
Investment income	73,013	188,897	244,826	428,438	512,447
Unrestricted county aid	1,751,852	1,746,005	1,721,324		
Unrestricted state aid	17,243,476	17,151,308	18,144,761	18,752,175	44,437,150
Unrestricted federal aid		204,011	2,430,258		
Total general revenues	<u>28,368,894</u>	<u>29,847,745</u>	<u>35,799,373</u>	<u>31,936,469</u>	<u>55,445,697</u>
Changes in Net Assets	<u>\$ (3,233,238)</u>	<u>\$ 3,573,168</u>	<u>\$ 3,156,687</u>	<u>\$ (4,528,956)</u>	<u>\$ 24,148,651</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (25,339,655)	\$ (20,420,704)	\$ (15,275,133)	\$ (12,465,960)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	4,125,418	4,006,796	3,274,945	2,821,260
Property taxes, levied for debt service	1,570,615	1,330,255	1,093,211	965,834
Property taxes, levied for capital outlay	560,660	1,906,374	543,508	1,480,218
Investment income	558,063	189,771	98,030	50,990
Unrestricted county aid	13,655	1,124,820	903,843	652,978
Unrestricted state aid	22,505,121	21,969,442	15,274,191	14,227,435
Unrestricted federal aid				
Total general revenues	<u>29,333,532</u>	<u>30,527,458</u>	<u>21,187,728</u>	<u>20,198,715</u>
Changes in Net Assets	<u>\$ 3,993,877</u>	<u>\$ 10,106,754</u>	<u>\$ 5,912,595</u>	<u>\$ 7,732,755</u>

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

- Notes:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.
- 2) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nondisposable	\$ 526,787	\$ 465,501			
Restricted	1,379,702	1,854,699			
Unassigned	2,735,611	5,519,707			
Reserved			\$ 300,438	\$ 117,319	\$ 112,157
Unreserved			542,991	(1,997,016)	4,168,597
Total General Fund	<u>\$ 4,642,100</u>	<u>\$ 7,839,907</u>	<u>\$ 843,429</u>	<u>\$ (1,879,697)</u>	<u>\$ 4,280,754</u>
All Other Governmental Funds:					
Nondisposable					
Restricted	\$ 6,706,992	\$ 10,512,185			
Reserved			\$ 86,360	\$ 71,598	\$ 55,985
Unreserved, reported in:					
Special revenue funds			5,233,948	4,889,622	4,886,223
Capital projects funds			7,289,834	8,759,033	9,845,938
Debt service fund			(21,095)	975,103	819,245
Total all other governmental funds	<u>\$ 6,706,992</u>	<u>\$ 10,512,185</u>	<u>\$ 12,589,047</u>	<u>\$ 14,695,356</u>	<u>\$ 15,607,391</u>

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 117,000	\$ 308,347	\$ 258,651	\$ 199,621	\$ 173,103
Unreserved	760,583	1,973,348	1,081,633	931,479	580,419
Total General Fund	<u>\$ 877,583</u>	<u>\$ 2,281,695</u>	<u>\$ 1,340,284</u>	<u>\$ 1,131,100</u>	<u>\$ 753,522</u>
All Other Governmental Funds:					
Reserved	\$ 54,620	\$ 54,261	\$ 19,321	\$ 25,159	\$ 35,828
Unreserved, reported in:					
Special revenue funds	4,591,446	2,467,802	1,654,593	916,587	556,556
Capital projects funds	6,559,819	3,912,764	1,373,272	820,023	1,094,007
Debt service fund	2,274,383	585,859	698,317	348,829	89,889
Total all other governmental funds	<u>\$ 13,480,268</u>	<u>\$ 7,020,686</u>	<u>\$ 3,745,503</u>	<u>\$ 2,110,598</u>	<u>\$ 1,776,280</u>

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

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

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 2,034,522	\$ 2,202,140	\$ 5,661,652	\$ 3,175,703	\$ 2,848,688
State Fiscal Stabilization (ARRA)		204,011			
Education Jobs	490,743	386,264			
National School Lunch Program	3,214,406	2,905,043	2,759,932	2,245,104	1,774,565
Total federal sources	<u>5,739,671</u>	<u>5,697,458</u>	<u>8,421,584</u>	<u>5,420,807</u>	<u>4,623,253</u>
State sources:					
State equalization assistance	15,837,044	16,057,077	19,047,479	14,729,736	23,719,901
State grants	42,954		73,415	676,634	170,082
School Facilities Board				1,115,393	17,699,429
Other revenues	1,406,432	1,132,780	1,604,590	1,561,125	2,051,036
Total state sources	<u>17,286,430</u>	<u>17,189,857</u>	<u>20,725,484</u>	<u>18,082,888</u>	<u>43,640,448</u>
Local sources:					
Property taxes	9,436,658	10,723,581	12,883,612	12,456,705	10,333,655
County aid	1,757,857	1,786,926	1,721,324		
Food service sales	303,192	320,478	324,629	407,189	359,313
Investment income	73,013	123,836	241,924	415,596	537,148
Other revenues	696,984	435,426	385,581	601,168	589,086
Total local sources	<u>12,267,704</u>	<u>13,390,247</u>	<u>15,557,070</u>	<u>13,880,658</u>	<u>11,819,202</u>
Total revenues	<u><u>\$ 35,293,805</u></u>	<u><u>\$ 36,277,562</u></u>	<u><u>\$ 44,704,138</u></u>	<u><u>\$ 37,384,353</u></u>	<u><u>\$ 60,082,903</u></u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 1,498,316	\$ 1,619,891	\$ 1,721,383	\$ 1,205,200	\$ 1,253,494
National School Lunch Program	1,802,511	1,432,647	1,217,761	859,352	699,160
Total federal sources	<u>3,300,827</u>	<u>3,052,538</u>	<u>2,939,144</u>	<u>2,064,552</u>	<u>1,952,654</u>
State sources:					
State equalization assistance	16,512,131	13,253,437	9,934,630	7,237,561	5,159,706
State grants	162,994	159,063	320,126	242,913	155,751
School Facilities Board	4,214,068	7,366,586	4,561,595	6,486,999	1,100,718
Other revenues	1,778,922	1,349,419	860,837	450,526	382,375
Total state sources	<u>22,668,115</u>	<u>22,128,505</u>	<u>15,677,188</u>	<u>14,417,999</u>	<u>6,798,550</u>
Local sources:					
Property taxes	6,261,219	7,148,063	4,916,435	5,213,280	2,655,745
County aid	13,655	1,124,820	903,843	652,978	460,604
Food service sales	320,798	300,003	259,641	173,387	158,686
Investment income	547,347	184,408	94,787	49,960	53,854
Other revenues	344,951	321,566	178,482	90,715	156,692
Total local sources	<u>7,487,970</u>	<u>9,078,860</u>	<u>6,353,188</u>	<u>6,180,320</u>	<u>3,485,581</u>
Total revenues	<u>\$ 33,456,912</u>	<u>\$ 34,259,903</u>	<u>\$ 24,969,520</u>	<u>\$ 22,662,871</u>	<u>\$ 12,236,785</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 18,795,718	\$ 17,388,184	\$ 20,828,087	\$ 19,269,450	\$ 17,349,326
Support services - students and staff	4,506,786	3,963,924	4,176,708	4,638,812	4,853,517
Support services - administration	3,754,249	3,082,871	3,449,785	3,376,043	2,937,889
Operation and maintenance of plant services	2,811,318	2,776,284	3,313,758	3,183,875	2,664,132
Student transportation services	1,248,118	1,106,115	1,050,557	993,723	1,295,199
Operation of non-instructional services	3,036,608	2,966,207	2,833,818	2,690,382	2,078,561
Capital outlay	5,529,938	4,784,496	6,842,115	7,485,608	27,113,244
Debt service -					
Judgements against the district				13,602	
Interest, premium and fiscal charges	856,210	771,960	765,864	960,599	1,369,761
Principal retirement	1,819,146	2,160,601	1,962,548	1,994,471	2,839,831
Bond issuance costs		253,511			148,622
Total expenditures	<u><u>\$ 42,358,091</u></u>	<u><u>\$ 39,254,153</u></u>	<u><u>\$ 45,223,240</u></u>	<u><u>\$ 44,606,565</u></u>	<u><u>\$ 62,650,082</u></u>
Expenditures for capitalized assets	\$ 3,795,463	\$ 3,203,436	\$ 5,996,816	\$ 3,864,201	\$ 23,683,707
Debt service as a percentage of noncapital expenditures	7%	8%	7%	7%	11%

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 13,464,700	\$ 11,262,540	\$ 9,189,031	\$ 6,977,761	\$ 4,596,561
Support services - students and staff	2,549,510	2,340,776	1,957,360	1,449,084	970,310
Support services - administration	3,220,302	2,135,708	1,511,186	1,157,299	1,142,137
Operation and maintenance of plant services	2,334,156	2,086,229	1,456,313	1,194,355	992,481
Student transportation services	1,136,725	1,025,472	912,979	705,341	452,255
Operation of non-instructional services	1,728,078	1,425,990	1,295,729	930,683	766,399
Capital outlay	11,509,372	8,631,319	6,190,558	8,896,079	2,351,405
Debt service -					
Judgements against the district					
Interest, premium and fiscal charges	113,291	1,428,642	761,505	711,226	707,403
Principal retirement	266,321	305,388	130,834	141,191	92,099
Bond issuance costs	102,200				
Total expenditures	<u>\$ 36,424,655</u>	<u>\$ 30,642,064</u>	<u>\$ 23,405,495</u>	<u>\$ 22,163,019</u>	<u>\$ 12,071,050</u>
Expenditures for capitalized assets	\$ 7,966,833	\$ 5,968,155	\$ 4,740,692	\$ 7,152,977	\$ 1,810,191
Debt service as a percentage of noncapital expenditures	1%	7%	5%	6%	8%

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

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (7,064,286)	\$ (2,976,591)	\$ (519,102)	\$ (7,222,212)	\$ (2,567,179)
Other financing sources (uses):					
General obligation bonds issued		7,600,000			7,830,000
Premium on sale of bonds		134,184			130,518
Proceeds from sale of capital assets					
Capital lease agreements			938,038	128,951	140,433
Transfers in	295,814	399,844	464,537	598,950	40,839
Transfers out	(295,814)	(399,844)	(464,537)	(598,950)	(40,839)
Payment to refunded bond escrow agent					
Total other financing sources (uses)		<u>7,734,184</u>	<u>938,038</u>	<u>128,951</u>	<u>8,100,951</u>
Changes in fund balances	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</u>	<u>\$ 418,936</u>	<u>\$ (7,093,261)</u>	<u>\$ 5,533,772</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ (2,967,743)	\$ 3,617,839	\$ 1,564,025	\$ 499,852	\$ 165,735
Other financing sources (uses):					
General obligation bonds issued	8,000,000				
Premium on sale of bonds	104,707				
Proceeds from sale of capital assets					
Capital lease agreements	109,494	514,119	226,872	196,195	
Transfers in	747,069	137,207	226,597	309,532	265,136
Transfers out	(747,069)	(137,207)	(226,597)	(309,532)	(265,136)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>8,214,201</u>	<u>514,119</u>	<u>226,872</u>	<u>196,195</u>	
Changes in fund balances	<u>\$ 5,246,458</u>	<u>\$ 4,131,958</u>	<u>\$ 1,790,897</u>	<u>\$ 696,047</u>	<u>\$ 165,735</u>

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2012	\$ 112,099,176	\$ 142,604,354	\$ 49,373,355	\$ 49,262,547	254,814,338	3.79	\$ 2,153,625,406	11.83	%
2011	143,498,576	189,036,019	48,582,030	56,548,486	324,568,139	3.47	2,686,378,396	12.08	
2010					389,531,143	3.77	3,249,300,415	11.99	
2009					408,800,218	3.77	3,423,609,778	11.94	
2008					310,785,826	3.94	2,586,217,967	12.02	
2007					207,181,600	3.10	1,658,309,097	12.49	
2006					169,306,418	4.59	1,334,477,243	12.69	
2005					136,872,386	3.84	1,020,494,915	13.41	
2004					93,510,144	5.92	661,382,964	14.14	
2003					73,146,020	3.89	494,437,787	14.79	

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

Note: Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2011.

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 Equalization	County	Community College District	Flood Control District	Water Conservation District	City of Avondale	City of Tolleson	Tolleson Union High School District No. 214			
Primary	Secondary	Total									
2012	0.43	1.24	1.21	0.18	0.10	1.33	2.91	4.06	1.33	2.47	3.80
2011	0.36	1.05	0.97	0.15	0.10	1.11	2.44	2.72	1.60	1.87	3.47
2010	0.33	0.99	0.88	0.14	0.10	1.11	2.51	2.10	2.51	1.26	3.77
2009		1.03	0.94	0.14	0.10	1.11	2.30	2.60	2.38	1.39	3.77
2008		1.10	0.98	0.15	0.10	1.11	2.67	2.86	2.33	1.61	3.94
2007		1.18	1.06	0.20	0.12	1.17	2.97	4.26	1.22	1.88	3.10
2006		1.20	1.03	0.21	0.12	1.17	2.43	3.79	2.74	1.85	4.59
2005		1.21	1.04	0.21	0.12	1.17	2.41	4.29	2.12	1.72	3.84
2004		1.28	1.78	0.21	0.12	1.16	2.67	4.27	3.90	2.02	5.92
2003		1.29	1.11	0.21	0.13	1.27	1.99	4.90	2.33	1.56	3.89

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

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

Taxpayer	2012			2003	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service	\$ 27,019,038	2.11 %		\$ 12,070,492	4.06 %
VHS of South Phoenix Inc.	10,274,957	0.80			
Macy's Retail Holdings Inc.	9,129,596	0.71			
DH Goodyear LLC	7,883,791	0.61			
Wigwam Country Development Co.	6,800,000	0.53			
Southwest Gas Corp	6,450,200	0.50		3,236,107	1.09
The Market at Estrella Falls LLC	5,985,139	0.47			
Mirabella Avondale Apartments LLC	5,850,000	0.46			
First American Title Ins. Co.	5,417,193	0.42		2,523,075	0.85
Cardinal Capital Co.	5,306,645	0.41			
Suncor Development Company				17,637,177	5.94
Kabuto Arizona Properties LLC				8,238,963	2.77
Rubbermaid, Inc.				7,155,908	2.41
Qwest Corporation				4,821,971	1.62
McLane Company				4,093,122	1.38
Loral Corporation				3,680,683	1.24
Snyders of Hanover Snacks Inc.				3,652,242	1.23
Total	<u>\$ 90,116,559</u>	<u>7.02 %</u>		<u>\$ 67,109,740</u>	<u>22.58 %</u>

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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
2012	\$ 9,610,825	\$ 9,200,259	95.73 %	\$	\$ 9,200,259	95.73 %
2011	11,045,280	10,498,742	95.05	543,634	11,042,376	99.97
2010	13,522,874	12,513,492	92.54	710,435	13,223,927	97.79
2009	13,179,902	12,282,024	93.19	797,763	13,079,787	99.24
2008	10,838,782	10,396,831	95.92	440,303	10,837,134	99.98
2007	6,287,207	6,006,237	95.53	262,791	6,269,028	99.71
2006	7,403,486	7,154,323	96.63	249,163	7,403,486	100.00
2005	4,977,631	4,820,824	96.85	156,807	4,977,631	100.00
2004	5,339,672	5,135,413	96.17	204,259	5,339,672	100.00
2003	2,614,776	2,540,015	97.14	74,761	2,614,776	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	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2012	\$ 15,365,000	\$ 1,428,735	\$ 13,936,265	0.65 %	\$ 394	\$ 803,167	\$ 14,739,432	0.68 %	\$ 415	0.00010 %	
2011	17,050,000	501,830	16,548,170	0.62	501	937,313	17,485,483	0.65	529	0.00012	
2010	13,390,000	1,905,000	11,485,000	0.35	446	1,062,914	12,547,914	0.39	482	0.00009	
2009	14,500,000	1,110,000	13,390,000	0.39	483	182,424	13,572,424	0.40	489	0.00010	
2008	15,070,000	570,000	14,500,000	0.56	502	479,187	14,979,187	0.58	518	0.00011	
2007	9,270,000	10,000	9,260,000	0.56	309	588,585	9,848,585	0.59	329	0.00008	
2006	1,280,000	10,000	1,270,000	0.10	43	745,412	2,015,412	0.15	68	0.00002	
2005	1,320,000	20,000	1,300,000	0.13	44	496,681	1,796,681	0.18	61	0.00002	
2004	1,340,000	20,000	1,320,000	0.20	49	380,643	1,700,643	0.26	63	0.00002	
2003	1,360,000	20,000	1,340,000	0.27	54	305,639	1,645,639	0.33	67	0.00002	

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Community College District	\$ 671,250,000	0.67 %	\$ 4,497,375
City of Avondale	34,385,000	35.03	12,045,066
City of Goodyear	122,480,000	0.01	12,248
City of Phoenix	1,112,742,000	0.30	3,338,226
City of Tolleson	29,545,000	27.67	8,175,102
Tolleson Union High School District No. 214	76,310,000	22.95	17,513,145
Subtotal, Overlapping Debt			<u>45,581,162</u>
Direct:			
Littleton elementary School District No. 65	14,739,432	100.00	<u>14,739,432</u>
Total Direct and Overlapping Debt			<u>\$ 60,320,594</u>

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2011 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 2012:

Secondary assessed valuation	\$ 254,814,338
Debt limit (5% of assessed value)	12,740,717
Debt applicable to limit	<u>13,936,265</u>
Legal debt margin	<u><u>\$ (1,195,548)</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 254,814,338
Debt limit (15% of assessed value)	38,222,151
Debt applicable to limit	<u>13,936,265</u>
Legal debt margin	<u><u>\$ 24,285,886</u></u>

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 38,222,151	\$ 48,685,221	\$ 58,429,671	\$ 61,320,033	\$ 46,617,874
Total net debt applicable to limit	<u>13,936,265</u>	<u>16,548,170</u>	<u>11,485,000</u>	<u>13,390,000</u>	<u>14,500,000</u>
Legal debt margin	<u><u>\$ 24,285,886</u></u>	<u><u>\$ 32,137,051</u></u>	<u><u>\$ 46,944,671</u></u>	<u><u>\$ 47,930,033</u></u>	<u><u>\$ 32,117,874</u></u>
Total net debt applicable to the limit as a percentage of debt limit	36%	34%	20%	22%	31%
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 31,077,240	\$ 25,395,963	\$ 20,530,858	\$ 14,026,522	\$ 10,971,903
Total net debt applicable to limit	<u>9,260,000</u>	<u>1,270,000</u>	<u>1,300,000</u>	<u>1,320,000</u>	<u>1,340,000</u>
Legal debt margin	<u><u>\$ 21,817,240</u></u>	<u><u>\$ 24,125,963</u></u>	<u><u>\$ 19,230,858</u></u>	<u><u>\$ 12,706,522</u></u>	<u><u>\$ 9,631,903</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	5%	6%	9%	12%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Bond premium is not subject to the statutory debt limit.

3) The District exceeded the Class B bond limit due to the recent drop in assessed values; however, after the last bond issuance in July of 2010 the District's outstanding Class B debt was below the limit.

**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
2011	3,843,370	\$	142,864,275	\$	37,352	8.4 %	39,000
2010	3,817,117		142,091,618		35,319	8.5	34,000
2009	4,023,331		147,122,078		37,168	8.3	30,000
2008	3,987,942		139,665,253		36,135	4.8	30,000
2007	3,907,492		132,423,154		35,046	3.2	30,000
2006	3,792,675		120,716,738		33,178	3.5	30,000
2005	3,895,205		111,103,576		31,757	4.4	30,000
2004	3,742,460		102,277,852		30,160	5.0	30,000
2003	3,598,440		96,988,974		29,020	5.0	27,500
2002	3,296,300		93,544,549		29,117	5.3	25,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2002 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For the year 2011 the source of the information is the Arizona Office of Employment and Population Statistics.

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

Employer	2012			2003		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
State of Arizona	49,800	2.94	%	49,850	2.93	%
Wal-Mart Stores Inc.	30,635	1.81		15,895	0.93	
Banner Health Systems	25,825	1.53		15,520	0.91	
City of Phoenix	15,100	0.89		13,155	0.77	
Wells Fargo Company	13,310	0.79		8,800	0.52	
Maricopa County	12,790	0.76		15,525	0.91	
Apollo Group Inc.	11,000	0.65				
Arizona State University	11,185	0.66		9,110	0.53	
Bank of America	13,300	0.79				
Honeywell				15,000	0.88	
Intel Corp.	10,300	0.61		10,000	0.59	
JP Morgan Chase & Co	10,600	0.63				
Mesa Public Schools	8,380	0.50				
U.S. Postal Service	8,020	0.47		11,405	0.67	
US Airways	9,090	0.54				
The Kroger Co.				13,500	0.79	
Motorola				10,600	0.62	
America West Holdings Corp.				9,300	0.55	
Target Corp.				8,070	0.47	
Luke Air Force Base				8,000	0.47	
American Express Co.				7,225	0.42	
Safeway Inc.				9,100	0.53	
Qwest Communications Inc.				7,700	0.45	
Banc One Corp.				7,600	0.45	
Total	229,335	13.57	%	245,355	14.39	%
Total employment	1,692,300			1,704,221		

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

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

	Full-time Equivalent Employees as of June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Superintendent	7	7	7	7	
Assistant principals	10	10	10	10	16
Total supervisory	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>16</u>
Instruction					
Teachers	280	282	300	311	292
Other professionals (instructional)	12	12	12	14	17
Aides	86	65	66	55	71
Total instruction	<u>378</u>	<u>359</u>	<u>378</u>	<u>380</u>	<u>380</u>
Support and Administration					
Managers	7	7	6	5	9
Other classified	113	92	95	96	99
Total support and administration	<u>120</u>	<u>99</u>	<u>101</u>	<u>101</u>	<u>108</u>
Total	<u><u>515</u></u>	<u><u>475</u></u>	<u><u>496</u></u>	<u><u>498</u></u>	<u><u>504</u></u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Supervisory					
Superintendent					
Assistant principals	18	11	10	9	9
Total supervisory	<u>18</u>	<u>11</u>	<u>10</u>	<u>9</u>	<u>9</u>
Instruction					
Teachers	230	183	138	111	82
Other professionals (instructional)	11	4	5	1	
Aides	68	35	25	17	15
Total instruction	<u>309</u>	<u>222</u>	<u>168</u>	<u>129</u>	<u>97</u>
Support and Administration					
Managers	5	8	8	5	4
Other classified	95	97	85	71	57
Total support and administration	<u>100</u>	<u>105</u>	<u>93</u>	<u>76</u>	<u>61</u>
Total	<u><u>427</u></u>	<u><u>338</u></u>	<u><u>271</u></u>	<u><u>214</u></u>	<u><u>167</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2012	4,860	\$ 34,152,797	\$ 7,027	8.21 %	38,344,376	\$ 7,890	5.36 %	280	17.4	82.6 %
2011	4,817	31,283,585	6,494	(13.62)	36,071,783	7,488	(10.24)	282	17.1	79.6
2010	4,742	35,652,713	7,518	8.07	39,559,257	8,342	(5.49)	300	15.8	80.2
2009	4,909	34,152,285	6,957	3.76	43,329,885	8,827	10.36	311	15.8	75.6
2008	4,650	31,178,624	6,705	13.06	37,191,021	7,998	11.87	292	15.9	78.7
2007	4,120	24,433,471	5,930	10.29	29,455,295	7,149	10.19	230	17.9	73.0
2006	3,771	20,276,715	5,377	4.03	24,466,612	6,488	7.64	183	20.6	74.0
2005	3,158	16,322,598	5,169	(4.08)	19,034,799	6,027	(7.69)	138	22.9	73.5
2004	2,304	12,414,523	5,388	3.78	15,044,392	6,530	N/A	111	20.8	73.0
2003	1,718	8,920,143	5,192	(11.15)	N/A	N/A	N/A	82	21.0	74.6

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

Notes: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available due to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 not being adopted until fiscal year 2004.

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

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Schools</u>										
Elementary										
Buildings	25	25	25	22	18	17	17	16	15	15
Square feet	586,505	576,739	576,739	521,963	431,455	341,642	341,642	251,651	170,363	170,363
Capacity	7,261	7,261	7,261	6,386	5,263	4,140	4,140	3,015	2,010	2,010
Enrollment	5,219	5,057	4,996	5,196	4,694	3,912	3,580	2,904	1,990	1,621
Middle										
Buildings					6	6	6	6	6	6
Square feet					42,477	42,477	42,477	42,477	42,477	42,477
Capacity					480	480	480	480	480	480
Enrollment					413	482	441	486	465	210
<u>Administrative</u>										
Buildings	3	3	3	2	2	2	2	2	2	2
Square feet	44,678	44,678	44,678	9,248	9,248	9,248	9,248	9,248	9,248	9,248
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	25	25	23	23	24	28	27	20	20	19

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

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