
LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

AVONDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Issued by:
Business and Finance Department

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	i
ASBO Certificate of Excellence	vi
GFOA Certificate of Achievement	vii
Organizational Chart	viii
List of Principal Officials	ix
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28
Statement of Assets and Liabilities – Fiduciary Funds	29
Notes to Financial Statements	30

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Cont'd)</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS (Concl'd)	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)	
General Fund	50
Note to Required Supplementary Information	51
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds - By Fund Type	57
Special Revenue Funds:	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	72

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	94
Capital Projects Funds:	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	98
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	100
Agency Funds:	
Combining Statement of Assets and Liabilities	108
Combining Statement of Changes in Assets and Liabilities	109
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	113
Expenses, Program Revenues, and Net (Expense)/Revenue	114
General Revenues and Total Changes in Net Position	116
Fund Balances – Governmental Funds	118
Governmental Funds Revenues	120
Governmental Funds Expenditures and Debt Service Ratio	122

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION (Concl'd)</u>	<u>Page</u>
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	124
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	125
Assessed Value and Estimated Actual Value of Taxable Property by Class	126
Property Tax Assessment Ratios	127
Direct and Overlapping Property Tax Rates	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Debt Capacity:	
Outstanding Debt by Type	131
Direct and Overlapping Governmental Activities Debt	132
Legal Debt Margin Information	133
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	134
Principal Employers	135
Operating Information:	
Full-Time Equivalent District Employees by Type	136
Operating Statistics	138
Capital Assets Information	139

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INTRODUCTORY SECTION

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December 6, 2013

Citizens and Governing Board
 Littleton Elementary School District No. 65
 1600 South 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, 2013.

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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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 a current enrollment of 5,079.

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 30, 2013, there was one vacant seat on the Governing Board. An appointment will be made by the Maricopa County Superintendent of School by the end of December 2013. 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 2012 Population and Estimate was 78,256.

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 5,079 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 2012 population was estimated at 3,824,058 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 13.5 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. It is the policy of the District to spend bond proceeds on capital items approved by the voters with useful lives equal to or greater than five years or the average life of the bonds issued. Additionally, it is the policy of the District not to exceed the debt limits mandated by the State.

After years of growth, the District experienced a flat line in student numbers during the 2009-2010 school year as development of new housing slowed throughout the District, but for the 2010-2011 school year the enrollment stabilized. School year 2012 – 2013 once again recorded growth in the District. 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 5,500. 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

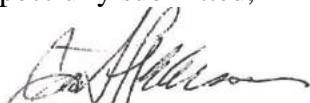
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the third consecutive year that the District has received 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, 2012. 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 2012-13 certificates.

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

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

Respectfully submitted,



Roger S. Freeman, Ed.D.
Superintendent



Phyllis Kinder
Executive Director for Business Resources

Association of School Business Officials International



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

Littleton Elementary School District No. 65

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read "Ron McCulley". The signature is written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, appearing to read "John D. Musso". The signature is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

COMMUNITY

2012-2013

GOVERNING BOARD



LEADING...

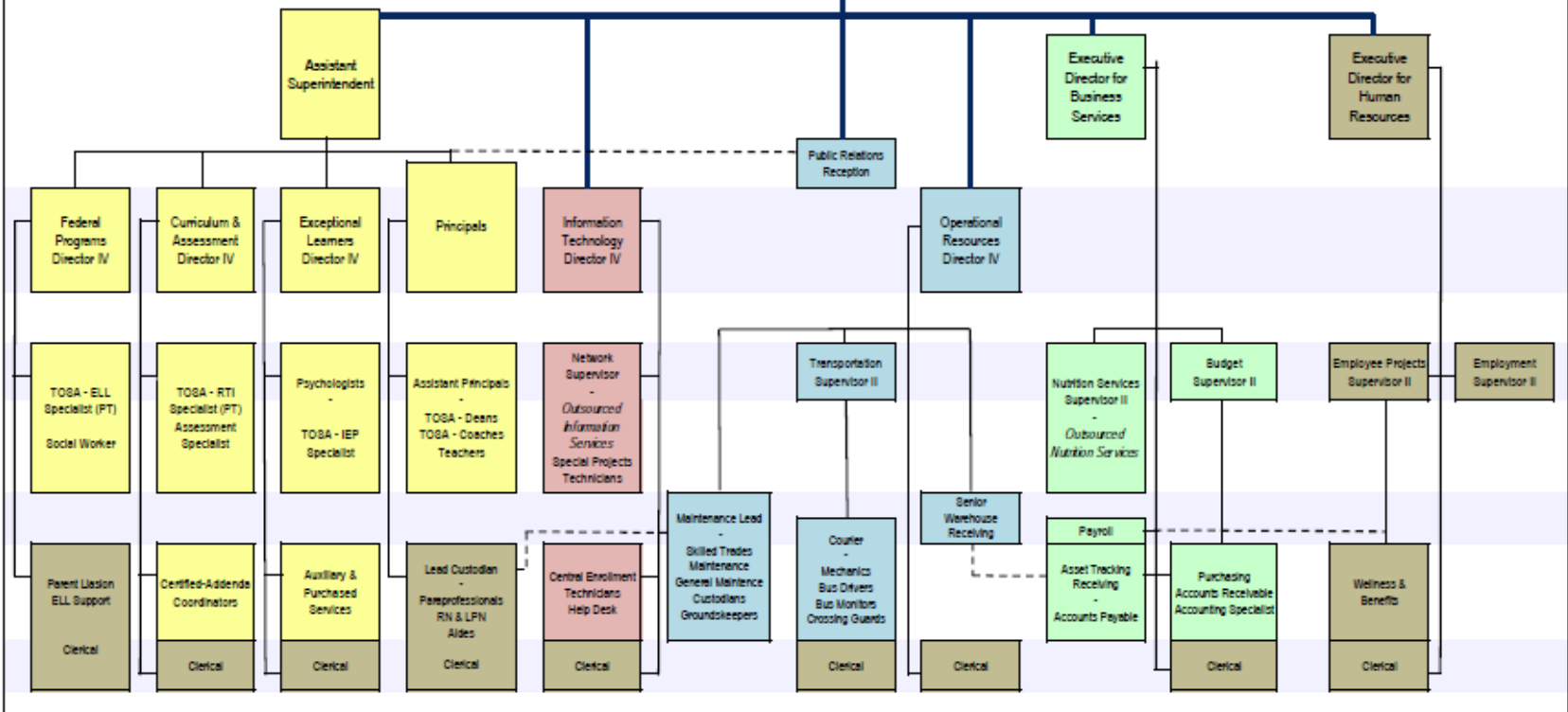
IN LEARNING, CARING, AND GROWING

ADOPTED

11/13/2012

SUPERINTENDENT

Administrative Assistant



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

III

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Michael Pineda
President

Sandi Nielson
Vice President

Amy Soucinek
Member

Kathy Reyes
Member

ADMINISTRATIVE STAFF

Roger S. Freeman, Ed.D.
Superintendent

Gary Londer, Ed.D.
Assistant Superintendent

Phyllis Kinder
Executive Director for Business Resources

Lisa Kelley
Executive Director of Human Resources

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Littleton Elementary School District No. 65

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Littleton Elementary School District No. 65 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Littleton Elementary School District No. 65, as of June 30, 2013, 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 50 and 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of Littleton Elementary School District No. 65's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Littleton Elementary School District No. 65's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 6, 2013

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, 2013**

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$745,380, which represents a 1 percent decrease from the prior fiscal year.
- General revenues accounted for \$31.0 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.9 million, or 18 percent of total current fiscal year revenues.
- The District had approximately \$38.6 million in expenses related to governmental activities, an increase of less than 1 percent from the prior fiscal year.
- Among major funds, the General Fund had \$28.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$28.1 million in expenditures. The General Fund's fund balance increased from \$4.6 million at the prior fiscal year end to \$5.4 million at the end of the current fiscal year was primarily due to an increase in property taxes.

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, 2013**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

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

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

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

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. 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 as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$65.6 million at the current fiscal year end.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of June 30, 2013	As of June 30, 2012
Current and other assets	\$ 15,439,400	\$ 17,862,381
Capital assets, net	69,390,458	71,054,320
Total assets	<u>84,829,858</u>	<u>88,916,701</u>
Current and other liabilities	2,318,326	4,109,553
Long-term liabilities	16,934,437	18,484,673
Total liabilities	<u>19,252,763</u>	<u>22,594,226</u>
Net position:		
Net investment in capital assets	54,943,512	55,256,201
Restricted	4,780,727	6,093,331
Unrestricted	5,852,856	4,972,943
Total net position	<u>\$ 65,577,095</u>	<u>\$ 66,322,475</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. 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, 2013**

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 Position.

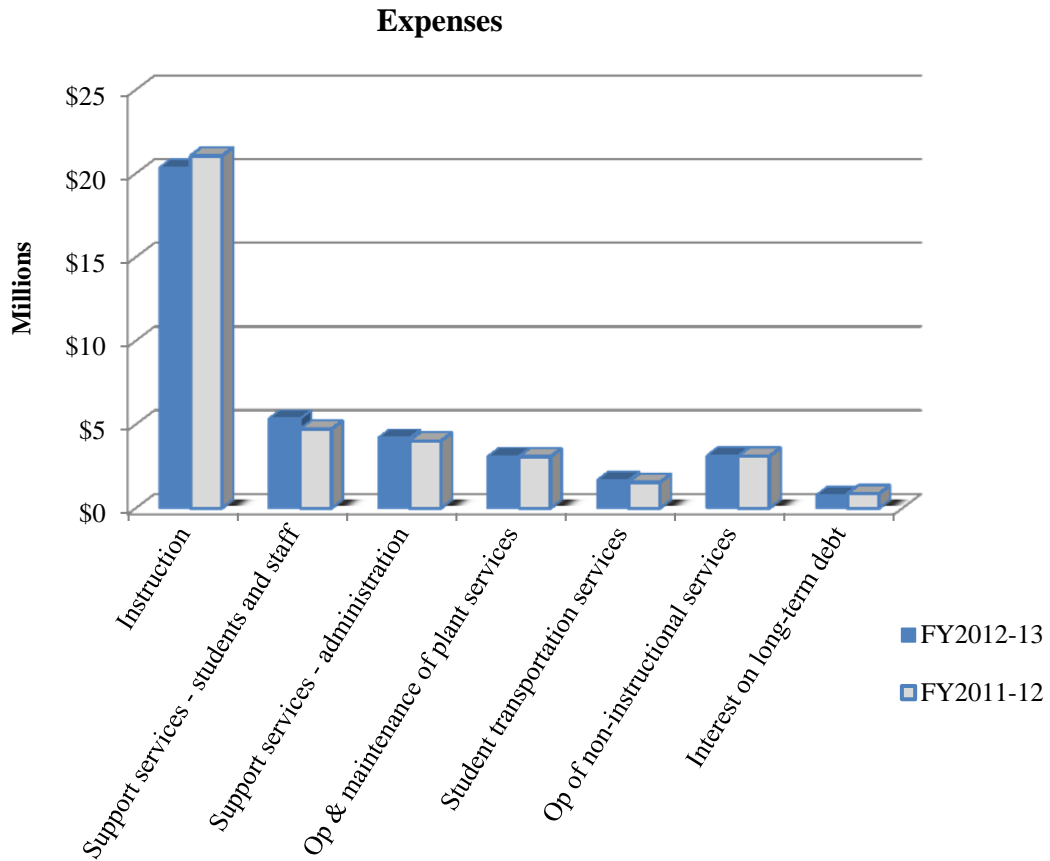
- The principal retirement of \$1.7 million of bonds.
- Accumulated depreciation increased \$2.2 million.

Changes in net position. The District's total revenues for the current fiscal year were \$37.8 million. The total cost of all programs and services was \$38.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	<u>Fiscal Year Ended June 30, 2013</u>	<u>Fiscal Year Ended June 30, 2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 779,029	\$ 905,887
Operating grants and contributions	5,852,233	5,661,056
Capital grants and contributions	226,356	175,301
General revenues:		
Property taxes	9,931,447	9,300,553
Investment income	53,547	73,013
Unrestricted county aid	1,813,870	1,751,852
Unrestricted state aid	19,031,022	17,243,476
Unrestricted federal aid	149,969	
Total revenues	<u>37,837,473</u>	<u>35,111,138</u>
Expenses:		
Instruction	20,339,637	21,048,410
Support services – students and staff	5,346,160	4,722,586
Support services – administration	4,201,845	4,009,757
Operation and maintenance of plant services	3,095,103	3,070,856
Student transportation services	1,680,250	1,537,027
Operation of non-instructional services	3,139,568	3,099,530
Interest on long-term debt	780,290	856,210
Total expenses	<u>38,582,853</u>	<u>38,344,376</u>
Changes in net position	<u>(745,380)</u>	<u>(3,233,238)</u>
Net position, beginning	<u>66,322,475</u>	<u>69,555,713</u>
Net position, ending	<u>\$ 65,577,095</u>	<u>\$ 66,322,475</u>

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following is a significant current year transaction that has had an impact on the change in net position.

- Increase in unrestricted state aid of \$1.8 million due to an increase in enrollment.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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, 2013		Year Ended June 30, 2012	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 20,339,637	\$ (18,714,724)	\$ 21,048,410	\$ (19,245,800)
Support services – students and staff	5,346,160	(4,459,845)	4,722,586	(4,218,231)
Support services – administration	4,201,845	(3,987,263)	4,009,757	(3,427,240)
Operation and maintenance of plant services	3,095,103	(2,953,444)	3,070,856	(2,933,407)
Student transportation services	1,680,250	(1,622,081)	1,537,027	(1,461,959)
Operation of non-instructional services	3,139,568	531,595	3,099,530	270,254
Interest on long-term debt	780,290	(519,473)	856,210	(585,749)
Total	<u>\$ 38,582,853</u>	<u>\$ (31,725,235)</u>	<u>\$ 38,344,376</u>	<u>\$ (31,602,132)</u>

- The cost of all governmental activities this year was \$38.6 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$6.9 million.
- Net cost of governmental activities of \$31.7 million was financed by general revenues, which are made up of primarily property taxes of \$9.9 million and state aid of \$19.0 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, 2013**

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 \$10.5 million, a decrease of \$874,025.

The General Fund comprises 51 percent of the total fund balance. Approximately \$3.4 million, or 64 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$731,132 in the General Fund to \$5.4 million as of fiscal year end was primarily a result of an increase in property taxes due to an increase in the tax rate. General Fund revenues increased \$3.6 million. General Fund expenditures increased \$96,921.

Fund balance of the Debt Service Fund decreased \$1.1 million due to the retirement of long-term debt.

Fund balance of the Bond Building Fund decreased \$409,425 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 \$1.4 million increase, or 5 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 \$368,611 in Operation and Maintenance of Plant Services was a result of utilities and supplies efficiencies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$85.3 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$513,353 from the prior fiscal year, primarily due to the completion of various buildings and improvements projects. Total depreciation expense for the current fiscal year was \$2.3 million.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Capital assets – non-depreciable	\$ 6,766,568	\$ 6,919,265
Capital assets – depreciable, net	62,623,890	64,135,055
Total	<u>\$ 69,390,458</u>	<u>\$ 71,054,320</u>

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

Debt Administration. At year-end, the District had \$16.1 million in long-term debt outstanding, \$2.0 million due within one year. This represents a net decrease of \$1.8 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 \$34.4 million and the Class B debt limit is \$11.5 million. Due to a decline in the District's secondary assessed valuation, the District does not have any current bonding capacity.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2013-14 budget. Among them:

- Fiscal year 2012-13 budget balance carry forward (estimated \$129,203).
- District student population (estimated 4,997).
- Increase in employee salaries due to 200 day school calendar.

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

Budgeted expenditures in the General Fund increased 7 percent to \$28.7 million in fiscal year 2013-14 primarily due to the adoption of a new 200 day school calendar. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

**LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,352,158
Property taxes receivable	810,411
Due from governmental entities	4,591,878
Prepaid items	684,953
Total current assets	15,439,400
Noncurrent assets:	
Land	6,766,568
Land improvements	1,007,927
Buildings and improvements	71,624,606
Vehicles, furniture and equipment	5,901,627
Accumulated depreciation	(15,910,270)
Total noncurrent assets	69,390,458
Total assets	84,829,858
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	257,007
Credit line payable	1,338,000
Accrued payroll and employee benefits	109,400
Compensated absences payable	70,000
Accrued interest payable	358,410
Unearned revenues	255,509
Obligations under capital leases	81,621
Bonds payable	1,880,000
Total current liabilities	4,349,947
Noncurrent liabilities:	
Non-current portion of long-term obligations	14,902,816
Total noncurrent liabilities	14,902,816
Total liabilities	19,252,763
<u>NET POSITION</u>	
Net investment in capital assets	54,943,512
Restricted for:	
Federal and state projects	1,077,567
Food service	860,783
Other local initiatives	484,892
Debt service	334,654
Capital outlay	2,022,831
Unrestricted	5,852,856
Total net position	\$ 65,577,095

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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 20,339,637	\$ 261,054	\$ 1,137,503	\$ 226,356	\$ (18,714,724)
Support services - students and staff	5,346,160	58,666	827,649		(4,459,845)
Support services - administration	4,201,845	27,163	187,419		(3,987,263)
Operation and maintenance of plant services	3,095,103	79,585	62,074		(2,953,444)
Student transportation services	1,680,250	58,169			(1,622,081)
Operation of non-instructional services	3,139,568	294,392	3,376,771		531,595
Interest on long-term debt	780,290		260,817		(519,473)
Total governmental activities	<u>\$ 38,582,853</u>	<u>\$ 779,029</u>	<u>\$ 5,852,233</u>	<u>\$ 226,356</u>	<u>(31,725,235)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,365,772
Property taxes, levied for debt service	1,187,785
Property taxes, levied for capital outlay	377,890
Investment income	53,547
Unrestricted county aid	1,813,870
Unrestricted state aid	19,031,022
Unrestricted federal aid	149,969

Total general revenues 30,979,855

Changes in net position (745,380)

Net position, beginning of year 66,322,475

Net position, end of year \$ 65,577,095

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, 2013

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 2,071,591	\$ 2,433,002	\$ 1,645,623
Property taxes receivable	743,064	25,827	
Due from governmental entities	3,839,618	114,235	
Due from other funds	154,672		
Prepaid items	684,953		
Total assets	\$ 7,493,898	\$ 2,573,064	\$ 1,645,623
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 77,021	\$	\$
Credit line payable	1,338,000		
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues	705,645	20,406	
Bonds payable		1,880,000	
Bond interest payable		358,410	
Total liabilities	2,120,666	2,258,816	
Fund balances:			
Nonspendable	684,953		
Restricted	1,264,153	314,248	1,645,623
Unassigned	3,424,126		
Total fund balances	5,373,232	314,248	1,645,623
 Total liabilities and fund balances	\$ 7,493,898	\$ 2,573,064	\$ 1,645,623

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,201,942	\$ 9,352,158
41,520	810,411
638,025	4,591,878
	154,672
	684,953
<u>\$ 3,881,487</u>	<u>\$ 15,594,072</u>

\$ 179,986	\$ 257,007
	1,338,000
154,672	154,672
109,400	109,400
295,465	1,021,516
	1,880,000
	358,410
<u>739,523</u>	<u>5,119,005</u>

	684,953
3,141,964	6,365,988
	3,424,126
<u>3,141,964</u>	<u>10,475,067</u>
<u>\$ 3,881,487</u>	<u>\$ 15,594,072</u>

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total governmental fund balances	\$	10,475,067
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 85,300,728	
Less accumulated depreciation	<u>(15,910,270)</u>	69,390,458
<p>Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		766,007
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(841,868)	
Obligations under capital leases	(727,569)	
Bonds payable	<u>(13,485,000)</u>	<u>(15,054,437)</u>
Net position of governmental activities	\$	<u>65,577,095</u>

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 2,133,058	\$ 9,962	\$ 6,103
Property taxes	8,318,402	1,229,064	
State aid and grants	17,446,854		
Federal aid, grants and reimbursements	171,431	239,355	
Total revenues	<u>28,069,745</u>	<u>1,478,381</u>	<u>6,103</u>
Expenditures:			
Current -			
Instruction	15,746,105		
Support services - students and staff	4,128,060		
Support services - administration	3,710,654		
Operation and maintenance of plant services	2,708,758		
Student transportation services	1,304,503		
Operation of non-instructional services	70,067		
Capital outlay	309,272		409,425
Debt service -			
Principal retirement	75,598	1,880,000	
Interest and fiscal charges	61,319	718,971	
Total expenditures	<u>28,114,336</u>	<u>2,598,971</u>	<u>409,425</u>
Excess (deficiency) of revenues over expenditures	<u>(44,591)</u>	<u>(1,120,590)</u>	<u>(403,322)</u>
Other financing sources (uses):			
Transfers in	617,557	6,103	
Transfers out			(6,103)
Total other financing sources (uses):	<u>617,557</u>	<u>6,103</u>	<u>(6,103)</u>
Changes in fund balances	<u>572,966</u>	<u>(1,114,487)</u>	<u>(409,425)</u>
Fund balances, beginning of year	4,642,100	1,428,735	2,055,048
Increase (decrease) in reserve for prepaid items	158,166		
Fund balances, end of year	<u>\$ 5,373,232</u>	<u>\$ 314,248</u>	<u>\$ 1,645,623</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 545,192	\$ 2,694,315
336,710	9,884,176
1,711,932	19,158,786
5,642,139	6,052,925
<u>8,235,973</u>	<u>37,790,202</u>
2,131,386	17,877,491
971,466	5,099,526
184,126	3,894,780
76,782	2,785,540
71,807	1,376,310
3,011,040	3,081,107
1,253,054	1,971,751
	1,955,598
	780,290
<u>7,699,661</u>	<u>38,822,393</u>
<u>536,312</u>	<u>(1,032,191)</u>
	623,660
<u>(617,557)</u>	<u>(623,660)</u>
<u>(617,557)</u>	
<u>(81,245)</u>	<u>(1,032,191)</u>
3,223,209	11,349,092
	158,166
<u>\$ 3,141,964</u>	<u>\$ 10,475,067</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, 2013

Net changes in fund balances - total governmental funds **\$ (874,025)**

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	\$ 586,460	
Less current year depreciation	<u>(2,250,322)</u>	(1,663,862)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		47,271
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Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	75,598	
Bond principal retirement	<u>1,880,000</u>	1,955,598

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.		<u>(210,362)</u>
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Change in net position in governmental activities **\$ (745,380)**

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 59,592
Total assets	\$ 59,592
 <u>LIABILITIES</u>	
Accounts payable	\$ 10,339
Deposits held for others	16,446
Due to student groups	32,807
Total liabilities	\$ 59,592

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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

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, 2013

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted 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, 2013

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, 2013

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

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, 2013

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.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

G. Property Tax Calendar

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.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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 as expenditures when purchased in the fund financial statements.

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 position. 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. Net Position Flow Assumption

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

N. Estimates

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 684,953	\$	\$	\$
Restricted:				
Debt service		314,248		
Capital projects	1,264,153			718,722
Bond building projects			1,645,623	
Voter approved initiatives				865,278
Federal and State projects				212,289
Food service				860,783
Civic center projects				212,237
Community school projects				162,153
Extracurricular activities				72,289
Other purposes				38,213
Unassigned	3,424,126			
Total fund balances	\$ 5,373,232	\$ 314,248	\$ 1,645,623	\$ 3,141,964

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, 2013

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 \$16,446 and the bank balance was \$16,446.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	491 days	\$ 9,395,304
Total		<u>\$ 9,395,304</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, 2013

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>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$	\$ 114,235	\$ 297,727
Due from State government	<u>3,839,618</u>		<u>340,298</u>
Net due from governmental entities	<u>\$ 3,839,618</u>	<u>\$ 114,235</u>	<u>\$ 638,025</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)	\$ 705,645	\$
Delinquent property taxes receivable (Debt Service Fund)	20,406	
Delinquent property taxes receivable (Non-Major Governmental Funds)	39,956	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		<u>255,509</u>
Total deferred revenue for governmental funds	<u>\$ 766,007</u>	<u>\$ 255,509</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,760,068	\$ 6,500	\$	6,766,568
Construction in progress	159,197	398,787	557,984	
Total capital assets, not being depreciated	<u>6,919,265</u>	<u>405,287</u>	<u>557,984</u>	<u>6,766,568</u>
Capital assets, being depreciated:				
Land improvements	1,007,927			1,007,927
Buildings and improvements	71,109,986	514,620		71,624,606
Vehicles, furniture and equipment	5,750,197	224,537	73,107	5,901,627
Total capital assets being depreciated	<u>77,868,110</u>	<u>739,157</u>	<u>73,107</u>	<u>78,534,160</u>
Less accumulated depreciation for:				
Land improvements	(680,253)	(42,567)		(722,820)
Buildings and improvements	(10,452,644)	(1,693,954)		(12,146,598)
Vehicles, furniture and equipment	(2,600,158)	(513,801)	(73,107)	(3,040,852)
Total accumulated depreciation	<u>(13,733,055)</u>	<u>(2,250,322)</u>	<u>(73,107)</u>	<u>(15,910,270)</u>
Total capital assets, being depreciated, net	<u>64,135,055</u>	<u>(1,511,165)</u>		<u>62,623,890</u>
Governmental activities capital assets, net	<u>\$ 71,054,320</u>	<u>\$(1,105,878)</u>	<u>\$ 557,984</u>	<u>\$ 69,390,458</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,668,191
Support services – students and staff	73,645
Support services – administration	84,994
Operation and maintenance of plant services	225,300
Student transportation services	163,437
Operation of non-instructional services	34,755
Total depreciation expense – governmental activities	<u>\$ 2,250,322</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	\$ 2,076,000	\$ 16,697,000	\$ 17,435,000	\$ 1,338,000

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

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

	Governmental Activities
Asset:	
Building improvements	\$ 993,716
Less: Accumulated depreciation	157,338
Total	\$ 836,378

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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
2014	\$ 136,916
2015	136,917
2016	136,917
2017	136,916
2018	136,917
2019-20	273,833
Total minimum lease payments	958,416
Less: amount representing interest	230,847
Present value of minimum lease payments	727,569
Due within one year	\$ 81,621

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, 2013	Due Within One Year
Governmental activities:					
General Obligation Refunding					
Bonds, Series 2001	\$ 1,230,000	4.875-5.0%	7/1/13-14	\$ 525,000	\$ 250,000
School Improvement Bonds, Project of 2006, Series A (2007)	8,000,000	4.0%	7/1/13-15	1,420,000	1,105,000
School Improvement Bonds, Project of 2006, Series B (2007)	7,830,000	3.5-4.0%	7/1/13-20	6,430,000	525,000
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				\$ 15,365,000	\$ 1,880,000

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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	1,565,000	441,533
2019-23	5,005,000	1,311,881
2024-28	2,325,000	388,274
Total	<u>\$ 15,365,000</u>	<u>\$ 4,486,426</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, \$1,000,000 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.

	<u>Beginning</u>		<u>Reductions</u>	<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>		<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Bonds payable	\$ 17,050,000	\$	\$ 1,685,000	\$ 15,365,000	\$ 1,880,000
Obligations under capital leases	803,167		75,598	727,569	81,621
Compensated absences payable	631,506	530,176	319,814	841,868	70,000
Governmental activity long-term liabilities	<u>\$ 18,484,673</u>	<u>\$ 530,176</u>	<u>\$ 2,080,412</u>	<u>\$ 16,934,437</u>	<u>\$ 2,031,621</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from General Fund
Non-Major Governmental Funds	\$ 154,672
Total	\$ 154,672

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:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Bond Building Fund	\$	\$ 6,103	\$ 6,103
Non-Major Governmental Funds	617,557		617,557
Total	\$ 617,557	\$ 6,103	\$ 623,660

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.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 – CONTINGENT LIABILITIES (Concl'd)

Performance Audit – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. section 41-1279.03.A. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

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, 2013

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 11.14 percent (10.90 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 11.14 percent (10.25 percent for retirement, 0.65 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,			
2013	\$ 2,076,651	\$ 131,690	\$ 48,624
2012	1,792,601	114,421	43,589
2011	1,653,931	108,304	45,892

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 – SUBSEQUENT EVENT

The District is currently in the process of selling a parcel of land for \$1,050,000.

**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, 2013

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,868,824	\$ 1,868,824
Property taxes			8,317,178	8,317,178
State aid and grants			16,962,453	16,962,453
Total revenues			<u>27,148,455</u>	<u>27,148,455</u>
Expenditures:				
Current -				
Instruction	14,731,597	15,529,367	15,472,699	56,668
Support services - students and staff	3,535,146	3,728,468	3,694,267	34,201
Support services - administration	2,841,858	3,242,569	3,304,113	(61,544)
Operation and maintenance of plant services	3,092,512	3,067,413	2,698,802	368,611
Student transportation services	1,219,292	1,227,292	1,237,786	(10,494)
Operation of non-instructional services	27,821	27,821	69,776	(41,955)
Total expenditures	<u>25,448,226</u>	<u>26,822,930</u>	<u>26,477,443</u>	<u>345,487</u>
Changes in fund balances	<u>(25,448,226)</u>	<u>(26,822,930)</u>	<u>671,012</u>	<u>27,493,942</u>
Fund balances (deficits), beginning of year			(1,909,020)	(1,909,020)
Increase (decrease) in reserve for prepaid items			158,166	158,166
Fund balances (deficits), end of year	<u>\$ (25,448,226)</u>	<u>\$ (26,822,930)</u>	<u>\$ (1,079,842)</u>	<u>\$ 25,743,088</u>

See accompanying notes to this schedule.

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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 exception: a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds. Consequently, the following adjustments were necessary to present actual expenditures, fund balance at July 1, 2012, and fund balance at June 30, 2013 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2013</u>	<u>Fund Balance, July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 28,114,336	\$ 5,373,232	\$ 4,642,100
Fiscal year 2012-13 activity budgeted as special revenue funds	(1,107,425)	(2,814,484)	(2,953,001)
Fiscal year 2012-13 activity budgeted as capital projects funds	<u>(529,468)</u>	<u>(3,638,590)</u>	<u>(3,598,119)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General	<u>\$ 26,477,443</u>	<u>\$ (1,079,842)</u>	<u>\$ (1,909,020)</u>

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

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GOVERNMENTAL FUNDS

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,433,469	\$ 768,473	\$ 3,201,942
Property taxes receivable		41,520	41,520
Due from governmental entities	638,025		638,025
Total assets	<u>\$ 3,071,494</u>	<u>\$ 809,993</u>	<u>\$ 3,881,487</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 128,671	\$ 51,315	\$ 179,986
Due to other funds	154,672		154,672
Accrued payroll and employee benefits	109,400		109,400
Deferred revenues	255,509	39,956	295,465
Total liabilities	<u>648,252</u>	<u>91,271</u>	<u>739,523</u>
Fund balances:			
Restricted	2,423,242	718,722	3,141,964
Total fund balances	<u>2,423,242</u>	<u>718,722</u>	<u>3,141,964</u>
 Total liabilities and fund balances	 <u>\$ 3,071,494</u>	 <u>\$ 809,993</u>	 <u>\$ 3,881,487</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 533,704	\$ 11,488	\$ 545,192
Property taxes		336,710	336,710
State aid and grants	1,657,008	54,924	1,711,932
Federal aid, grants and reimbursements	5,642,139		5,642,139
Total revenues	<u>7,832,851</u>	<u>403,122</u>	<u>8,235,973</u>
Expenditures:			
Current -			
Instruction	2,131,386		2,131,386
Support services - students and staff	971,466		971,466
Support services - administration	184,126		184,126
Operation and maintenance of plant services	76,782		76,782
Student transportation services	71,807		71,807
Operation of non-instructional services	3,011,040		3,011,040
Capital outlay	250,445	1,002,609	1,253,054
Total expenditures	<u>6,697,052</u>	<u>1,002,609</u>	<u>7,699,661</u>
Excess (deficiency) of revenues over expenditures	<u>1,135,799</u>	<u>(599,487)</u>	<u>536,312</u>
Other financing sources (uses):			
Transfers out	(617,557)		(617,557)
Total other financing sources (uses):	<u>(617,557)</u>		<u>(617,557)</u>
Changes in fund balances	<u>518,242</u>	<u>(599,487)</u>	<u>(81,245)</u>
Fund balances, beginning of year	1,905,000	1,318,209	3,223,209
Fund balances, end of year	<u>\$ 2,423,242</u>	<u>\$ 718,722</u>	<u>\$ 3,141,964</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.

Other State Projects - to account for financial assistance received for other State projects.

**SPECIAL REVENUE FUNDS
(Concluded)**

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

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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

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

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

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

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

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

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

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

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

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

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

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

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 346,312	\$ 288,068	\$ 300
Due from governmental entities	255,786	84,512	
Total assets	\$ 602,098	\$ 372,580	\$ 300
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	109,400		
Deferred revenues			
Total liabilities	109,400		
Fund balances:			
Restricted	492,698	372,580	300
Total fund balances	492,698	372,580	300
 Total liabilities and fund balances	 \$ 602,098	 \$ 372,580	 \$ 300

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$ 1,648	\$ 1,038	\$ 13,232	\$ 4,041	\$ 28,218	\$ 164
<u>\$ 1,648</u>	<u>\$ 1,038</u>	<u>\$ 13,232</u>	<u>\$ 4,041</u>	<u>\$ 28,218</u>	<u>\$ 164</u>
\$	\$ 1,038	\$ 13,232	\$	\$ 26,714	\$
<u>1,648</u>	<u>1,038</u>	<u>13,232</u>	<u>4,041</u>	<u>1,504</u>	<u>164</u>
<u>1,648</u>	<u>1,038</u>	<u>13,232</u>	<u>4,041</u>	<u>28,218</u>	<u>164</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>\$ 1,648</u>	<u>\$ 1,038</u>	<u>\$ 13,232</u>	<u>\$ 4,041</u>	<u>\$ 28,218</u>	<u>\$ 164</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	E-Rate	Other Federal Projects	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$ 157,408	\$	\$ 248,152
Due from governmental entities	68,728	140,402	
Total assets	\$ 226,136	\$ 140,402	\$ 248,152
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 13,847	\$	\$
Due to other funds		140,402	
Accrued payroll and employee benefits			
Deferred revenues			248,152
Total liabilities	13,847	140,402	248,152
Fund balances:			
Restricted	212,289		
Total fund balances	212,289		
 Total liabilities and fund balances	\$ 226,136	\$ 140,402	\$ 248,152

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 857,243	\$ 229,560	\$ 162,153	\$ 72,289	\$ 354	\$ 22,607
74,327					
<u>\$ 931,570</u>	<u>\$ 229,560</u>	<u>\$ 162,153</u>	<u>\$ 72,289</u>	<u>\$ 354</u>	<u>\$ 22,607</u>
\$ 70,787	\$ 17,323	\$	\$	\$	\$
<u>70,787</u>	<u>17,323</u>	<u></u>	<u></u>	<u></u>	<u></u>
860,783	212,237	162,153	72,289	354	22,607
<u>860,783</u>	<u>212,237</u>	<u>162,153</u>	<u>72,289</u>	<u>354</u>	<u>22,607</u>
<u>\$ 931,570</u>	<u>\$ 229,560</u>	<u>\$ 162,153</u>	<u>\$ 72,289</u>	<u>\$ 354</u>	<u>\$ 22,607</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Insurance Refund	Totals
<u>ASSETS</u>		
Cash and investments	\$ 14,952	\$ 2,433,469
Due from governmental entities		638,025
Total assets	\$ 14,952	\$ 3,071,494
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 128,671
Due to other funds		154,672
Accrued payroll and employee benefits		109,400
Deferred revenues		255,509
Total liabilities		648,252
Fund balances:		
Restricted	14,952	2,423,242
Total fund balances	14,952	2,423,242
 Total liabilities and fund balances	 \$ 14,952	 \$ 3,071,494

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 727	\$ 1,428	\$ 9,002
State aid and grants	1,388,736	195,432	
Federal aid, grants and reimbursements			
Total revenues	<u>1,389,463</u>	<u>196,860</u>	<u>9,002</u>
Expenditures:			
Current -			
Instruction	1,004,275	39,200	7,700
Support services - students and staff	48,774	110,516	1,002
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,053,049</u>	<u>149,716</u>	<u>8,702</u>
Excess (deficiency) of revenues over expenditures	<u>336,414</u>	<u>47,144</u>	<u>300</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>336,414</u>	<u>47,144</u>	<u>300</u>
Fund balances, beginning of year	156,284	325,436	
Fund balances, end of year	<u>\$ 492,698</u>	<u>\$ 372,580</u>	<u>\$ 300</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	Homeless Education
\$ 43,246	\$ 904,265	\$ 103,573	\$ 79,361	\$ 789,903	\$ 26,761
<u>43,246</u>	<u>904,265</u>	<u>103,573</u>	<u>79,361</u>	<u>789,903</u>	<u>26,761</u>
43,246	390,322		18,016	458,926	173
	420,419	36,161	58,910	197,491	11,099
	6,726	59,740	879	7,640	
				51,677	13,507
	21,400			16,911	
<u>43,246</u>	<u>838,867</u>	<u>95,901</u>	<u>77,805</u>	<u>732,645</u>	<u>24,779</u>
	65,398	7,672	1,556	57,258	1,982
	(65,398)	(7,672)	(1,556)	(57,258)	(1,982)
	<u>(65,398)</u>	<u>(7,672)</u>	<u>(1,556)</u>	<u>(57,258)</u>	<u>(1,982)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	E-Rate	Other Federal Projects	Other State Projects
Revenues:			
Other local	\$ 555	\$	\$
State aid and grants			29,594
Federal aid, grants and reimbursements	218,367	143,138	
Total revenues	218,922	143,138	29,594
Expenditures:			
Current -			
Instruction	3,462	93,236	17,186
Support services - students and staff	8,960	49,565	
Support services - administration	81,679		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	102,246		12,408
Total expenditures	196,347	142,801	29,594
Excess (deficiency) of revenues over expenditures	22,575	337	
Other financing sources (uses):			
Transfers out		(337)	
Total other financing sources (uses):		(337)	
Changes in fund balances	22,575		
Fund balances, beginning of year	189,714		
Fund balances, end of year	\$ 212,289	\$	\$

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 298,501	\$ 158,820	\$ 29,173	\$ 32,225	\$ 761	\$ 2,444
<u>3,376,771</u>					
<u>3,675,272</u>	<u>158,820</u>	<u>29,173</u>	<u>32,225</u>	<u>761</u>	<u>2,444</u>
	24,164	10,403	21,077		3,554
	25,015				
492	26,206			764	
	76,782				
	317		6,306		
3,011,040					
38,743	58,645		92		
<u>3,050,275</u>	<u>211,129</u>	<u>10,403</u>	<u>27,475</u>	<u>764</u>	<u>3,554</u>
<u>624,997</u>	<u>(52,309)</u>	<u>18,770</u>	<u>4,750</u>	<u>(3)</u>	<u>(1,110)</u>
<u>(483,354)</u>					
<u>(483,354)</u>					
<u>141,643</u>	<u>(52,309)</u>	<u>18,770</u>	<u>4,750</u>	<u>(3)</u>	<u>(1,110)</u>
719,140	264,546	143,383	67,539	357	23,717
<u>\$ 860,783</u>	<u>\$ 212,237</u>	<u>\$ 162,153</u>	<u>\$ 72,289</u>	<u>\$ 354</u>	<u>\$ 22,607</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Insurance Refund	Totals
Revenues:		
Other local	\$ 68	\$ 533,704
State aid and grants		1,657,008
Federal aid, grants and reimbursements		5,642,139
Total revenues	68	7,832,851
Expenditures:		
Current -		
Instruction		2,131,386
Support services - students and staff		971,466
Support services - administration		184,126
Operation and maintenance of plant services		76,782
Student transportation services		71,807
Operation of non-instructional services		3,011,040
Capital outlay		250,445
Total expenditures		6,697,052
Excess (deficiency) of revenues over expenditures	68	1,135,799
Other financing sources (uses):		
Transfers out		(617,557)
Total other financing sources (uses):		(617,557)
Changes in fund balances	68	518,242
Fund balances, beginning of year	14,884	1,905,000
Fund balances, end of year	\$ 14,952	\$ 2,423,242

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LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 727	\$ 727
State aid and grants		1,388,736	1,388,736
Federal aid, grants and reimbursements			
Total revenues		<u>1,389,463</u>	<u>1,389,463</u>
Expenditures:			
Current -			
Instruction	1,955,368	1,004,275	951,093
Support services - students and staff	75,399	48,774	26,625
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,030,767</u>	<u>1,053,049</u>	<u>977,718</u>
Excess (deficiency) of revenues over expenditures	<u>(2,030,767)</u>	<u>336,414</u>	<u>2,367,181</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,030,767)</u>	<u>336,414</u>	<u>2,367,181</u>
Fund balances, beginning of year		156,284	156,284
Fund balances (deficits), end of year	<u>\$ (2,030,767)</u>	<u>\$ 492,698</u>	<u>\$ 2,523,465</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,428	\$ 1,428	\$	\$ 9,002	\$ 9,002
	195,432	195,432			
	<u>196,860</u>	<u>196,860</u>		<u>9,002</u>	<u>9,002</u>
214,671	39,200	(39,200)	9,000	7,700	1,300
	110,516	104,155		1,002	(1,002)
<u>214,671</u>	<u>149,716</u>	<u>64,955</u>	<u>9,000</u>	<u>8,702</u>	<u>298</u>
<u>(214,671)</u>	<u>47,144</u>	<u>261,815</u>	<u>(9,000)</u>	<u>300</u>	<u>9,300</u>
<u>(214,671)</u>	<u>47,144</u>	<u>261,815</u>	<u>(9,000)</u>	<u>300</u>	<u>9,300</u>
	325,436	325,436			
<u>\$ (214,671)</u>	<u>\$ 372,580</u>	<u>\$ 587,251</u>	<u>\$ (9,000)</u>	<u>\$ 300</u>	<u>\$ 9,300</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		43,246	43,246
Federal aid, grants and reimbursements			
Total revenues		43,246	43,246
Expenditures:			
Current -			
Instruction	42,955	43,246	(291)
Support services - students and staff	322		322
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	43,277	43,246	31
Excess (deficiency) of revenues over expenditures	(43,277)		43,277
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(43,277)		43,277
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (43,277)	\$	\$ 43,277

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				904,265	904,265
				904,265	904,265
585		585	986,339	390,322	(390,322)
				420,419	565,920
				6,726	(6,726)
				21,400	(21,400)
585		585	986,339	838,867	147,472
(585)		585	(986,339)	65,398	1,051,737
				(65,398)	(65,398)
				(65,398)	(65,398)
(585)		585	(986,339)		986,339
\$ (585)	\$	\$ 585	\$ (986,339)	\$	\$ 986,339

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		103,573	103,573
Total revenues		103,573	103,573
Expenditures:			
Current -			
Instruction			
Support services - students and staff		36,161	(36,161)
Support services - administration	118,100	59,740	58,360
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	118,100	95,901	22,199
Excess (deficiency) of revenues over expenditures	(118,100)	7,672	125,772
Other financing sources (uses):			
Transfers in			
Transfers out		(7,672)	(7,672)
Total other financing sources (uses):		(7,672)	(7,672)
Changes in fund balances	(118,100)		118,100
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (118,100)	\$	\$ 118,100

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				79,361	79,361
				79,361	79,361
60,000		60,000	138,168	18,016	(18,016)
				58,910	79,258
				879	(879)
60,000		60,000	138,168	77,805	60,363
(60,000)		60,000	(138,168)	1,556	139,724
				(1,556)	(1,556)
				(1,556)	(1,556)
(60,000)		60,000	(138,168)		138,168
\$ (60,000)	\$	\$ 60,000	\$ (138,168)	\$	\$ 138,168

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		789,903	789,903
Total revenues		<u>789,903</u>	<u>789,903</u>
Expenditures:			
Current -			
Instruction	836,292	458,926	377,366
Support services - students and staff		197,491	(197,491)
Support services - administration		7,640	(7,640)
Operation and maintenance of plant services			
Student transportation services		51,677	(51,677)
Operation of non-instructional services			
Capital outlay		16,911	(16,911)
Total expenditures	<u>836,292</u>	<u>732,645</u>	<u>103,647</u>
Excess (deficiency) of revenues over expenditures	<u>(836,292)</u>	<u>57,258</u>	<u>893,550</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(57,258)	(57,258)
Total other financing sources (uses):		<u>(57,258)</u>	<u>(57,258)</u>
Changes in fund balances	<u>(836,292)</u>		<u>836,292</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (836,292)</u>	<u>\$</u>	<u>\$ 836,292</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 5,272	\$ 5,272
	26,761	26,761		149,969	149,969
	26,761	26,761		155,241	155,241
	173	(173)		22,687	(22,687)
	11,099	(11,099)		80,784	(80,784)
				19,189	(19,189)
				2,456	(2,456)
28,710	13,507	15,203		151	(151)
			598,425	110,388	488,037
28,710	24,779	3,931	598,425	235,655	362,770
(28,710)	1,982	30,692	(598,425)	(80,414)	518,011
	(1,982)	(1,982)			
	(1,982)	(1,982)			
(28,710)		28,710	(598,425)	(80,414)	518,011
				1,562,889	1,562,889
\$ (28,710)	\$	\$ 28,710	\$ (598,425)	\$ 1,482,475	\$ 2,080,900

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 555	\$ 555
State aid and grants			
Federal aid, grants and reimbursements		218,367	218,367
Total revenues		<u>218,922</u>	<u>218,922</u>
Expenditures:			
Current -			
Instruction		3,462	(3,462)
Support services - students and staff		8,960	(8,960)
Support services - administration		81,679	(81,679)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	179,500	102,246	77,254
Total expenditures	<u>179,500</u>	<u>196,347</u>	<u>(16,847)</u>
Excess (deficiency) of revenues over expenditures	<u>(179,500)</u>	<u>22,575</u>	<u>202,075</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(179,500)</u>	<u>22,575</u>	<u>202,075</u>
Fund balances, beginning of year		189,714	189,714
Fund balances (deficits), end of year	<u>\$ (179,500)</u>	<u>\$ 212,289</u>	<u>\$ 391,789</u>

Other Federal Projects			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	143,138	143,138		29,594	29,594
	143,138	143,138		29,594	29,594
497,252	93,236 49,565	404,016 (49,565)	365,415	17,186	348,229
497,252	142,801	354,451	365,415	12,408 29,594	(12,408) 335,821
(497,252)	337	497,589	(365,415)		365,415
	(337)	(337)			
	(337)	(337)			
(497,252)		497,252	(365,415)		365,415
\$ (497,252)	\$	\$ 497,252	\$ (365,415)	\$	\$ 365,415

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 23,438	\$ 23,438
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>23,438</u>	<u>23,438</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	6,000		6,000
Capital outlay			
Total expenditures	<u>6,000</u>		<u>6,000</u>
Excess (deficiency) of revenues over expenditures	<u>(6,000)</u>	<u>23,438</u>	<u>29,438</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(6,000)</u>	<u>23,438</u>	<u>29,438</u>
Fund balances, beginning of year		148,973	148,973
Fund balances (deficits), end of year	<u>\$ (6,000)</u>	<u>\$ 172,411</u>	<u>\$ 178,411</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 298,501	\$ 298,501	\$	\$ 158,820	\$ 158,820
	<u>3,376,771</u>	<u>3,376,771</u>		<u>158,820</u>	<u>158,820</u>
	<u>3,675,272</u>	<u>3,675,272</u>			
	492	(492)		24,164	(24,164)
				25,015	(25,015)
				26,206	(26,206)
			190,000	76,782	113,218
				317	(317)
3,343,858	3,011,040	332,818		58,645	(58,645)
	38,743	(38,743)		<u>211,129</u>	<u>(21,129)</u>
<u>3,343,858</u>	<u>3,050,275</u>	<u>293,583</u>	<u>190,000</u>		
<u>(3,343,858)</u>	<u>624,997</u>	<u>3,968,855</u>	<u>(190,000)</u>	<u>(52,309)</u>	<u>137,691</u>
	<u>(483,354)</u>	<u>(483,354)</u>			
	<u>(483,354)</u>	<u>(483,354)</u>			
<u>(3,343,858)</u>	<u>141,643</u>	<u>3,485,501</u>	<u>(190,000)</u>	<u>(52,309)</u>	<u>137,691</u>
	719,140	719,140		264,546	264,546
<u>\$ (3,343,858)</u>	<u>\$ 860,783</u>	<u>\$ 4,204,641</u>	<u>\$ (190,000)</u>	<u>\$ 212,237</u>	<u>\$ 402,237</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Community School		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 29,173	\$ 29,173
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>29,173</u>	<u>29,173</u>
Expenditures:			
Current -			
Instruction	40,000	10,403	29,597
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>40,000</u>	<u>10,403</u>	<u>29,597</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>18,770</u>	<u>58,770</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(40,000)</u>	<u>18,770</u>	<u>58,770</u>
Fund balances, beginning of year		143,383	143,383
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 162,153</u>	<u>\$ 202,153</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 120,472	\$ 120,472	\$	\$ 32,225	\$ 32,225
	<u>120,472</u>	<u>120,472</u>		<u>32,225</u>	<u>32,225</u>
	30,484	(30,484)	35,000	21,077	13,923
	34,357	(34,357)			
110,000	61,046	48,954		6,306	(6,306)
<u>110,000</u>	<u>125,887</u>	<u>(15,887)</u>	<u>35,000</u>	<u>92</u>	<u>(92)</u>
<u>(110,000)</u>	<u>(5,415)</u>	<u>104,585</u>	<u>(35,000)</u>	<u>27,475</u>	<u>7,525</u>
<u>(110,000)</u>	<u>(5,415)</u>	<u>104,585</u>	<u>(35,000)</u>	<u>4,750</u>	<u>39,750</u>
	110,825	110,825		67,539	67,539
<u>\$ (110,000)</u>	<u>\$ 105,410</u>	<u>\$ 215,410</u>	<u>\$ (35,000)</u>	<u>\$ 72,289</u>	<u>\$ 107,289</u>

(Continued)

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 48,098	\$ 48,098
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>48,098</u>	<u>48,098</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	50,000	13,589	36,411
Support services - administration		6,735	(6,735)
Operation and maintenance of plant services			
Student transportation services		5,520	(5,520)
Operation of non-instructional services		291	(291)
Capital outlay		13,814	(13,814)
Total expenditures	<u>50,000</u>	<u>39,949</u>	<u>10,051</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>8,149</u>	<u>58,149</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(50,000)</u>	<u>8,149</u>	<u>58,149</u>
Fund balances, beginning of year		73,822	73,822
Fund balances (deficits), end of year	<u>\$ (50,000)</u>	<u>\$ 81,971</u>	<u>\$ 131,971</u>

Fingerprint			School Opening		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 761	\$ 761	\$	\$ 13	\$ 13
	<u>761</u>	<u>761</u>		<u>13</u>	<u>13</u>
5,000	764	4,236			
<u>5,000</u>	<u>764</u>	<u>4,236</u>			
<u>(5,000)</u>	<u>(3)</u>	<u>4,997</u>		<u>13</u>	<u>13</u>
<u>(5,000)</u>	<u>(3)</u>	<u>4,997</u>		<u>13</u>	<u>13</u>
	357	357		2,926	2,926
<u>\$ (5,000)</u>	<u>\$ 354</u>	<u>\$ 5,354</u>	<u>\$</u>	<u>\$ 2,939</u>	<u>\$ 2,939</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 397	\$ 397
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>397</u>	<u>397</u>
Expenditures:			
Current -			
Instruction	40,000		40,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>40,000</u>		<u>40,000</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>397</u>	<u>40,397</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(40,000)</u>	<u>397</u>	<u>40,397</u>
Fund balances, beginning of year		7,399	7,399
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 7,796</u>	<u>\$ 47,796</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,444	\$ 2,444	\$	\$ 669	\$ 669
	<u>2,444</u>	<u>2,444</u>		<u>669</u>	<u>669</u>
15,000	3,554	11,446	30,000		30,000
<u>15,000</u>	<u>3,554</u>	<u>11,446</u>	<u>30,000</u>		<u>30,000</u>
<u>(15,000)</u>	<u>(1,110)</u>	<u>13,890</u>	<u>(30,000)</u>	<u>669</u>	<u>30,669</u>
<u>(15,000)</u>	<u>(1,110)</u>	<u>13,890</u>	<u>(30,000)</u>	<u>669</u>	<u>30,669</u>
	23,717	23,717		50,771	50,771
<u>\$ (15,000)</u>	<u>\$ 22,607</u>	<u>\$ 37,607</u>	<u>\$ (30,000)</u>	<u>\$ 51,440</u>	<u>\$ 81,440</u>

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 3,019	\$ 3,019
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>800,422</u>	<u>3,019</u>	<u>3,019</u>
Expenditures:			
Current -			
Instruction		12,754	(12,754)
Support services - students and staff		305,063	(305,063)
Support services - administration	800,422	380,617	419,805
Operation and maintenance of plant services		7,500	(7,500)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>800,422</u>	<u>705,934</u>	<u>94,488</u>
Excess (deficiency) of revenues over expenditures	<u>(800,422)</u>	<u>(702,915)</u>	<u>97,507</u>
Other financing sources (uses):			
Transfers in		617,557	617,557
Transfers out			
Total other financing sources (uses):		<u>617,557</u>	<u>617,557</u>
Changes in fund balances	<u>(800,422)</u>	<u>(85,358)</u>	<u>715,064</u>
Fund balances, beginning of year		994,513	994,513
Fund balances (deficits), end of year	<u>\$ (800,422)</u>	<u>\$ 909,155</u>	<u>\$ 1,709,577</u>

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 68	\$ 68	\$	\$ 4	\$ 4
	68	68		4	4
10,000		10,000			
10,000		10,000			
(10,000)	68	10,068		4	4
(10,000)	68	10,068		4	4
	14,884	14,884		883	883
\$ (10,000)	\$ 14,952	\$ 24,952	\$	\$ 887	\$ 887

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 735,086	\$ 735,086
State aid and grants		1,657,008	1,657,008
Federal aid, grants and reimbursements		5,792,108	5,792,108
Total revenues		<u>8,184,202</u>	<u>8,184,202</u>
Expenditures:			
Current -			
Instruction	3,921,867	2,197,311	1,724,556
Support services - students and staff	1,479,899	1,405,259	74,640
Support services - administration	923,522	590,667	332,855
Operation and maintenance of plant services	190,000	86,738	103,262
Student transportation services	138,710	138,524	186
Operation of non-instructional services	3,349,858	3,011,331	338,527
Capital outlay	777,925	374,647	403,278
Total expenditures	<u>10,781,781</u>	<u>7,804,477</u>	<u>2,977,304</u>
Excess (deficiency) of revenues over expenditures	<u>(10,781,781)</u>	<u>379,725</u>	<u>11,161,506</u>
Other financing sources (uses):			
Transfers in		617,557	617,557
Transfers out		(617,557)	(617,557)
Total other financing sources (uses):			
Changes in fund balances	<u>(10,781,781)</u>	<u>379,725</u>	<u>11,161,506</u>
Fund balances, beginning of year		4,858,001	4,858,001
Fund balances (deficits), end of year	<u>\$ (10,781,781)</u>	<u>\$ 5,237,726</u>	<u>\$ 16,019,507</u>

DEBT SERVICE FUND

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

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 9,962	\$ 9,962
Property taxes			1,229,064	1,229,064
Federal aid, grants and reimbursements			239,355	239,355
Total revenues			<u>1,478,381</u>	<u>1,478,381</u>
Expenditures:				
Debt service -				
Principal retirement		2,945,000	1,880,000	1,065,000
Interest and fiscal charges			718,971	(718,971)
Total expenditures		<u>2,945,000</u>	<u>2,598,971</u>	<u>346,029</u>
Excess (deficiency) of revenues over expenditures		<u>(2,945,000)</u>	<u>(1,120,590)</u>	<u>1,824,410</u>
Other financing sources (uses):				
Transfers in			6,103	6,103
Total other financing sources (uses):			<u>6,103</u>	<u>6,103</u>
Changes in fund balances		<u>(2,945,000)</u>	<u>(1,114,487)</u>	<u>1,830,513</u>
Fund balances, beginning of year			1,428,735	1,428,735
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (2,945,000)</u>	<u>\$ 314,248</u>	<u>\$ 3,259,248</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.

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

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, 2013

	Adjacent Ways	Gifts and Donations - Capital	New School Facilities
<u>ASSETS</u>			
Cash and investments	\$ 519,189	\$ 249,131	\$ 153
Property taxes receivable	41,520		
Total assets	\$ 560,709	\$ 249,131	\$ 153
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 51,315	\$	\$
Deferred revenues	39,956		
Total liabilities	91,271		
Fund balances:			
Restricted	469,438	249,131	153
Total fund balances	469,438	249,131	153
 Total liabilities and fund balances	\$ 560,709	\$ 249,131	\$ 153

Totals

\$	768,473
	<u>41,520</u>
\$	<u>809,993</u>

\$	51,315
	<u>39,956</u>
	<u>91,271</u>

	<u>718,722</u>
	<u>718,722</u>

\$	<u>809,993</u>
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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, 2013

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Building Renewal Grant</u>
Revenues:			
Other local	\$ 4,486	\$ 7,000	\$
Property taxes	336,710		
State aid and grants			54,924
Total revenues	<u>341,196</u>	<u>7,000</u>	<u>54,924</u>
Expenditures:			
Capital outlay	<u>946,938</u>		<u>54,924</u>
Total expenditures	<u>946,938</u>		<u>54,924</u>
Changes in fund balances	<u>(605,742)</u>	<u>7,000</u>	
Fund balances, beginning of year	1,075,180	242,131	
Fund balances, end of year	<u>\$ 469,438</u>	<u>\$ 249,131</u>	<u>\$</u>

New School Facilities	Totals
\$ 2	\$ 11,488
	336,710
	54,924
<u>2</u>	<u>403,122</u>
<u>747</u>	<u>1,002,609</u>
<u>747</u>	<u>1,002,609</u>
<u>(745)</u>	<u>(599,487)</u>
898	1,318,209
<u>\$ 153</u>	<u>\$ 718,722</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, 2013

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 37,472	\$ 37,472
Property taxes		656	656
State aid and grants		293,235	293,235
Federal aid, grants and reimbursements		21,462	21,462
Total revenues		<u>352,825</u>	<u>352,825</u>
Expenditures:			
Current -			
Instruction		150,182	(150,182)
Capital outlay	1,152,875	181,275	971,600
Debt service -			
Principal retirement		75,598	(75,598)
Interest and fiscal charges		61,319	(61,319)
Total expenditures	<u>1,152,875</u>	<u>468,374</u>	<u>684,501</u>
Excess (deficiency) of revenues over expenditures	<u>(1,152,875)</u>	<u>(115,549)</u>	<u>1,037,326</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,152,875)</u>	<u>(115,549)</u>	<u>1,037,326</u>
Fund balances, beginning of year		1,379,702	1,379,702
Fund balances (deficits), end of year	<u>\$ (1,152,875)</u>	<u>\$ 1,264,153</u>	<u>\$ 2,417,028</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4,486 336,710	\$ 4,486 336,710	\$	\$ 25,380 568 191,166	\$ 25,380 568 191,166
	<u>341,196</u>	<u>341,196</u>		<u>217,114</u>	<u>217,114</u>
1,250,000	946,938	303,062	384,769	57,299 3,795	327,470 (3,795)
<u>1,250,000</u>	<u>946,938</u>	<u>303,062</u>	<u>384,769</u>	<u>61,094</u>	<u>323,675</u>
<u>(1,250,000)</u>	<u>(605,742)</u>	<u>644,258</u>	<u>(384,769)</u>	<u>156,020</u>	<u>540,789</u>
<u>(1,250,000)</u>	<u>(605,742)</u>	<u>644,258</u>	<u>(384,769)</u>	<u>156,020</u>	<u>540,789</u>
	1,075,180	1,075,180		2,218,417	2,218,417
<u>\$ (1,250,000)</u>	<u>\$ 469,438</u>	<u>\$ 1,719,438</u>	<u>\$ (384,769)</u>	<u>\$ 2,374,437</u>	<u>\$ 2,759,206</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, 2013

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 6,103	\$ 6,103
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		6,103	6,103
Expenditures:			
Current -			
Instruction			
Capital outlay	1,955,000	409,425	1,545,575
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	1,955,000	409,425	1,545,575
Excess (deficiency) of revenues over expenditures	(1,955,000)	(403,322)	1,551,678
Other financing sources (uses):			
Transfers out		(6,103)	(6,103)
Total other financing sources (uses):		(6,103)	(6,103)
Changes in fund balances	(1,955,000)	(409,425)	1,545,575
Fund balances, beginning of year		2,055,048	2,055,048
Fund balances (deficits), end of year	\$ (1,955,000)	\$ 1,645,623	\$ 3,600,623

Gifts and Donations - Capital			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,000	\$ 7,000	\$	\$	\$
				54,924	54,924
	<u>7,000</u>	<u>7,000</u>		<u>54,924</u>	<u>54,924</u>
75,000		75,000	55,000	54,924	76
<u>75,000</u>		<u>75,000</u>	<u>55,000</u>	<u>54,924</u>	<u>76</u>
<u>(75,000)</u>	<u>7,000</u>	<u>82,000</u>	<u>(55,000)</u>		<u>55,000</u>
<u>(75,000)</u>	<u>7,000</u>	<u>82,000</u>	<u>(55,000)</u>		<u>55,000</u>
	242,131	242,131			
<u>\$ (75,000)</u>	<u>\$ 249,131</u>	<u>\$ 324,131</u>	<u>\$ (55,000)</u>	<u>\$</u>	<u>\$ 55,000</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, 2013

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2	\$ 2
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u> 2</u>	<u> 2</u>
Expenditures:			
Current -			
Instruction			
Capital outlay	897	747	150
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u> 897</u>	<u> 747</u>	<u> 150</u>
Excess (deficiency) of revenues over expenditures	<u> (897)</u>	<u> (745)</u>	<u> 152</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u> (897)</u>	<u> (745)</u>	<u> 152</u>
Fund balances, beginning of year		898	898
Fund balances (deficits), end of year	<u> \$ (897)</u>	<u> \$ 153</u>	<u> \$ 1,050</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 80,443	\$ 80,443
	337,934	337,934
	539,325	539,325
	21,462	21,462
	<u>979,164</u>	<u>979,164</u>
384,769	207,481	177,288
4,488,772	1,597,104	2,891,668
	75,598	(75,598)
	61,319	(61,319)
<u>4,873,541</u>	<u>1,941,502</u>	<u>2,932,039</u>
<u>(4,873,541)</u>	<u>(962,338)</u>	<u>3,911,203</u>
	(6,103)	(6,103)
	(6,103)	(6,103)
<u>(4,873,541)</u>	<u>(968,441)</u>	<u>3,905,100</u>
	6,971,376	6,971,376
<u>\$ (4,873,541)</u>	<u>\$ 6,002,935</u>	<u>\$ 10,876,476</u>

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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 ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 43,146	\$ 16,446	\$ 59,592
Total assets	\$ 43,146	\$ 16,446	\$ 59,592
 <u>LIABILITIES</u>			
Accounts payable	\$ 10,339	\$	\$ 10,339
Deposits held for others		16,446	16,446
Due to student groups	32,807		32,807
Total liabilities	\$ 43,146	\$ 16,446	\$ 59,592

LITTLETON ELEMENTARY SCHOOL DISTRICT NO. 65
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash	\$ <u>28,620</u>	\$ <u>48,155</u>	\$ <u>33,629</u>	\$ <u>43,146</u>
Total assets	\$ <u><u>28,620</u></u>	\$ <u><u>48,155</u></u>	\$ <u><u>33,629</u></u>	\$ <u><u>43,146</u></u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 10,339	\$	\$ 10,339
Due to student groups	<u>28,620</u>	<u>37,816</u>	<u>33,629</u>	<u>32,807</u>
Total liabilities	\$ <u><u>28,620</u></u>	\$ <u><u>48,155</u></u>	\$ <u><u>33,629</u></u>	\$ <u><u>43,146</u></u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash	\$ <u>18,038</u>	\$ <u>9,432,904</u>	<u>9,434,496</u>	\$ <u>16,446</u>
Total assets	\$ <u><u>18,038</u></u>	\$ <u><u>9,432,904</u></u>	\$ <u><u>9,434,496</u></u>	\$ <u><u>16,446</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>18,038</u>	\$ <u>9,432,904</u>	\$ <u>9,434,496</u>	\$ <u>16,446</u>
Total liabilities	\$ <u><u>18,038</u></u>	\$ <u><u>9,432,904</u></u>	\$ <u><u>9,434,496</u></u>	\$ <u><u>16,446</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash	\$ <u>46,658</u>	\$ <u>9,481,059</u>	\$ <u>9,468,125</u>	\$ <u>59,592</u>
Total assets	\$ <u><u>46,658</u></u>	\$ <u><u>9,481,059</u></u>	\$ <u><u>9,468,125</u></u>	\$ <u><u>59,592</u></u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 10,339	\$	\$ 10,339
Deposits held for others	18,038	9,432,904	9,434,496	16,446
Due to student groups	<u>28,620</u>	<u>37,816</u>	<u>33,629</u>	<u>32,807</u>
Total liabilities	\$ <u><u>46,658</u></u>	\$ <u><u>9,481,059</u></u>	\$ <u><u>9,468,125</u></u>	\$ <u><u>59,592</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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 54,943,512	\$ 55,256,201	\$ 55,214,369	\$ 51,517,384	\$ 50,763,428
Restricted	4,780,727	6,093,331	8,176,072	6,415,893	5,554,379
Unrestricted	5,852,856	4,972,943	6,165,272	8,049,268	6,508,051
Total net position	\$ 65,577,095	\$ 66,322,475	\$ 69,555,713	\$ 65,982,545	\$ 62,825,858
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Position:					
Net investment in capital assets	\$ 52,980,118	\$ 31,355,264	\$ 29,454,412	\$ 23,042,068	\$ 19,826,964
Restricted	4,472,806	4,908,662	4,583,487	2,096,385	1,255,154
Unrestricted	9,901,890	6,942,237	5,174,387	3,967,079	2,110,999
Total net position	\$ 67,354,814	\$ 43,206,163	\$ 39,212,286	\$ 29,105,532	\$ 23,193,117

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

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 20,339,637	\$ 21,048,410	\$ 19,716,894	\$ 23,204,700	\$ 25,848,457
Support services - students and staff	5,346,160	4,722,586	4,284,328	4,351,556	4,910,946
Support services - administration	4,201,845	4,009,757	3,306,402	3,712,449	3,840,626
Operation and maintenance of plant services	3,095,103	3,070,856	3,363,703	3,532,952	3,423,325
Student transportation services	1,680,250	1,537,027	1,413,880	1,055,660	1,565,093
Operation of non-instructional services	3,139,568	3,099,530	3,095,289	2,936,076	2,780,839
Interest on long-term debt	780,290	856,210	891,287	765,864	960,599
Total expenses	<u>38,582,853</u>	<u>38,344,376</u>	<u>36,071,783</u>	<u>39,559,257</u>	<u>43,329,885</u>
Program Revenues					
Charges for services:					
Instruction	261,054	467,777	114,412	237,127	396,264
Operation of non-instructional services	294,392	303,192	409,644	381,389	473,378
Other activities	223,583	134,918	155,462	87,495	56,365
Operating grants and contributions	5,852,233	5,661,056	5,423,342	5,929,433	5,824,208
Capital grants and contributions	226,356	175,301	3,694,346	281,127	114,245
Total program revenues	<u>6,857,618</u>	<u>6,742,244</u>	<u>9,797,206</u>	<u>6,916,571</u>	<u>6,864,460</u>
Net (Expense)/Revenue	<u>\$ (31,725,235)</u>	<u>\$ (31,602,132)</u>	<u>\$ (26,274,577)</u>	<u>\$ (32,642,686)</u>	<u>\$ (36,465,425)</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Instruction	\$ 20,617,659	\$ 17,522,405	\$ 14,252,993	\$ 10,089,906	\$ 8,912,940
Support services - students and staff	5,167,102	2,649,334	2,462,815	2,057,007	1,523,809
Support services - administration	3,426,984	3,350,033	2,174,757	1,551,317	1,194,984
Operation and maintenance of plant services	2,916,818	2,698,604	2,117,164	1,555,095	1,233,074
Student transportation services	1,454,647	1,297,133	1,156,611	1,024,241	795,703
Operation of non-instructional services	2,370,675	1,827,002	1,494,223	2,343,078	1,018,034
Interest on long-term debt	1,237,136	110,784	808,049	414,155	365,848
Total expenses	<u>37,191,021</u>	<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	508,423	262,007	243,679	132,508	38,772
Operation of non-instructional services	388,098	348,301	314,325	287,108	194,882
Other activities	63,367	55,441	63,565	18,507	18,806
Operating grants and contributions	3,491,539	3,430,591	3,113,333	3,175,342	2,283,929
Capital grants and contributions	1,442,548	19,300	311,006	146,201	42,043
Total program revenues	<u>5,893,975</u>	<u>4,115,640</u>	<u>4,045,908</u>	<u>3,759,666</u>	<u>2,578,432</u>
Net (Expense)/Revenue	<u>\$ (31,297,046)</u>	<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.

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

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (31,297,046)	\$ (25,339,655)	\$ (20,420,704)	\$ (15,275,133)	\$ (12,465,960)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,596,017	4,125,418	4,006,796	3,274,945	2,821,260
Property taxes, levied for debt service	2,311,249	1,570,615	1,330,255	1,093,211	965,834
Property taxes, levied for capital outlay	1,588,834	560,660	1,906,374	543,508	1,480,218
Investment income	512,447	558,063	189,771	98,030	50,990
Unrestricted county aid		13,655	1,124,820	903,843	652,978
Unrestricted state aid	44,437,150	22,505,121	21,969,442	15,274,191	14,227,435
Unrestricted federal aid					
Total general revenues	<u>55,445,697</u>	<u>29,333,532</u>	<u>30,527,458</u>	<u>21,187,728</u>	<u>20,198,715</u>
Changes in Net Position	<u>\$ 24,148,651</u>	<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: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

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

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 112,157	\$ 117,000	\$ 308,347	\$ 258,651	\$ 199,621
Unreserved	4,168,597	760,583	1,973,348	1,081,633	931,479
Total General Fund	<u>\$ 4,280,754</u>	<u>\$ 877,583</u>	<u>\$ 2,281,695</u>	<u>\$ 1,340,284</u>	<u>\$ 1,131,100</u>
All Other Governmental Funds:					
Reserved	\$ 55,985	\$ 54,620	\$ 54,261	\$ 19,321	\$ 25,159
Unreserved, reported in:					
Special revenue funds	4,886,223	4,591,446	2,467,802	1,654,593	916,587
Capital projects funds	9,845,938	6,559,819	3,912,764	1,373,272	820,023
Debt service fund	819,245	2,274,383	585,859	698,317	348,829
Total all other governmental funds	<u>\$ 15,607,391</u>	<u>\$ 13,480,268</u>	<u>\$ 7,020,686</u>	<u>\$ 3,745,503</u>	<u>\$ 2,110,598</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 2,676,154	\$ 2,034,522	\$ 2,202,140	\$ 5,661,652	\$ 3,175,703
State Fiscal Stabilization (ARRA)			204,011		
Education Jobs		490,743	386,264		
National School Lunch Program	3,376,771	3,214,406	2,905,043	2,759,932	2,245,104
Total federal sources	<u>6,052,925</u>	<u>5,739,671</u>	<u>5,697,458</u>	<u>8,421,584</u>	<u>5,420,807</u>
State sources:					
State equalization assistance	17,446,854	15,837,044	16,057,077	19,047,479	14,729,736
State grants	72,840	42,954		73,415	676,634
School Facilities Board	54,924				1,115,393
Other revenues	1,584,168	1,406,432	1,132,780	1,604,590	1,561,125
Total state sources	<u>19,158,786</u>	<u>17,286,430</u>	<u>17,189,857</u>	<u>20,725,484</u>	<u>18,082,888</u>
Local sources:					
Property taxes	9,884,176	9,436,658	10,723,581	12,883,612	12,456,705
County aid	1,813,870	1,757,857	1,786,926	1,721,324	
Food service sales	294,392	303,192	320,478	324,629	407,189
Investment income	53,547	73,013	123,836	241,924	415,596
Other revenues	532,506	696,984	435,426	385,581	601,168
Total local sources	<u>12,578,491</u>	<u>12,267,704</u>	<u>13,390,247</u>	<u>15,557,070</u>	<u>13,880,658</u>
Total revenues	<u>\$ 37,790,202</u>	<u>\$ 35,293,805</u>	<u>\$ 36,277,562</u>	<u>\$ 44,704,138</u>	<u>\$ 37,384,353</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:					
Federal grants	\$ 2,848,688	\$ 1,498,316	\$ 1,619,891	\$ 1,721,383	\$ 1,205,200
National School Lunch Program	1,774,565	1,802,511	1,432,647	1,217,761	859,352
Total federal sources	<u>4,623,253</u>	<u>3,300,827</u>	<u>3,052,538</u>	<u>2,939,144</u>	<u>2,064,552</u>
State sources:					
State equalization assistance	23,719,901	16,512,131	13,253,437	9,934,630	7,237,561
State grants	170,082	162,994	159,063	320,126	242,913
School Facilities Board	17,699,429	4,214,068	7,366,586	4,561,595	6,486,999
Other revenues	2,051,036	1,778,922	1,349,419	860,837	450,526
Total state sources	<u>43,640,448</u>	<u>22,668,115</u>	<u>22,128,505</u>	<u>15,677,188</u>	<u>14,417,999</u>
Local sources:					
Property taxes	10,333,655	6,261,219	7,148,063	4,916,435	5,213,280
County aid		13,655	1,124,820	903,843	652,978
Food service sales	359,313	320,798	300,003	259,641	173,387
Investment income	537,148	547,347	184,408	94,787	49,960
Other revenues	589,086	344,951	321,566	178,482	90,715
Total local sources	<u>11,819,202</u>	<u>7,487,970</u>	<u>9,078,860</u>	<u>6,353,188</u>	<u>6,180,320</u>
Total revenues	<u>\$ 60,082,903</u>	<u>\$ 33,456,912</u>	<u>\$ 34,259,903</u>	<u>\$ 24,969,520</u>	<u>\$ 22,662,871</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 17,877,491	\$ 18,795,718	\$ 17,388,184	\$ 20,828,087	\$ 19,269,450
Support services - students and staff	5,099,526	4,506,786	3,963,924	4,176,708	4,638,812
Support services - administration	3,894,780	3,754,249	3,082,871	3,449,785	3,376,043
Operation and maintenance of plant services	2,785,540	2,811,318	2,776,284	3,313,758	3,183,875
Student transportation services	1,376,310	1,248,118	1,106,115	1,050,557	993,723
Operation of non-instructional services	3,081,107	3,036,608	2,966,207	2,833,818	2,690,382
Capital outlay	1,971,751	5,529,938	4,784,496	6,842,115	7,485,608
Debt service -					
Judgments against the district					13,602
Interest and fiscal charges	780,290	856,210	771,960	765,864	960,599
Principal retirement	1,955,598	1,819,146	2,160,601	1,962,548	1,994,471
Bond issuance costs			253,511		
Total expenditures	<u>\$ 38,822,393</u>	<u>\$ 42,358,091</u>	<u>\$ 39,254,153</u>	<u>\$ 45,223,240</u>	<u>\$ 44,606,565</u>
Expenditures for capitalized assets	\$ 586,460	\$ 3,795,463	\$ 3,203,436	\$ 5,996,816	\$ 3,864,201
Debt service as a percentage of noncapital expenditures	7%	7%	8%	7%	7%

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:					
Current -					
Instruction	\$ 17,349,326	\$ 13,464,700	\$ 11,262,540	\$ 9,189,031	\$ 6,977,761
Support services - students and staff	4,853,517	2,549,510	2,340,776	1,957,360	1,449,084
Support services - administration	2,937,889	3,220,302	2,135,708	1,511,186	1,157,299
Operation and maintenance of plant services	2,664,132	2,334,156	2,086,229	1,456,313	1,194,355
Student transportation services	1,295,199	1,136,725	1,025,472	912,979	705,341
Operation of non-instructional services	2,078,561	1,728,078	1,425,990	1,295,729	930,683
Capital outlay	27,113,244	11,509,372	8,631,319	6,190,558	8,896,079
Debt service -					
Judgments against the district					
Interest and fiscal charges	1,369,761	113,291	1,428,642	761,505	711,226
Principal retirement	2,839,831	266,321	305,388	130,834	141,191
Bond issuance costs	148,622	102,200			
Total expenditures	<u>\$ 62,650,082</u>	<u>\$ 36,424,655</u>	<u>\$ 30,642,064</u>	<u>\$ 23,405,495</u>	<u>\$ 22,163,019</u>
Expenditures for capitalized assets	\$ 23,683,707	\$ 7,966,833	\$ 5,968,155	\$ 4,740,692	\$ 7,152,977
Debt service as a percentage of noncapital expenditures	11%	1%	7%	5%	6%

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (1,032,191)	\$ (7,064,286)	\$ (2,976,591)	\$ (519,102)	\$ (7,222,212)
Other financing sources (uses):					
General obligation bonds issued			7,600,000		
Premium on sale of bonds			134,184		
Capital lease agreements				938,038	128,951
Transfers in	623,660	295,814	399,844	464,537	598,950
Transfers out	<u>(623,660)</u>	<u>(295,814)</u>	<u>(399,844)</u>	<u>(464,537)</u>	<u>(598,950)</u>
Total other financing sources (uses)			<u>7,734,184</u>	<u>938,038</u>	<u>128,951</u>
Changes in fund balances	<u>\$ (1,032,191)</u>	<u>\$ (7,064,286)</u>	<u>\$ 4,757,593</u>	<u>\$ 418,936</u>	<u>\$ (7,093,261)</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ (2,567,179)	\$ (2,967,743)	\$ 3,617,839	\$ 1,564,025	\$ 499,852
Other financing sources (uses):					
General obligation bonds issued	7,830,000	8,000,000			
Premium on sale of bonds	130,518	104,707			
Capital lease agreements	140,433	109,494	514,119	226,872	196,195
Transfers in	40,839	747,069	137,207	226,597	309,532
Transfers out	<u>(40,839)</u>	<u>(747,069)</u>	<u>(137,207)</u>	<u>(226,597)</u>	<u>(309,532)</u>
Total other financing sources (uses)	<u>8,100,951</u>	<u>8,214,201</u>	<u>514,119</u>	<u>226,872</u>	<u>196,195</u>
Changes in fund balances	<u>\$ 5,533,772</u>	<u>\$ 5,246,458</u>	<u>\$ 4,131,958</u>	<u>\$ 1,790,897</u>	<u>\$ 696,047</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							
2013	\$ 102,463,279	\$ 122,385,527	\$ 53,215,301	\$ 48,923,427	\$ 229,140,680	4.38	\$1,968,364,551	11.64	%
2012	112,099,176	142,604,354	49,373,355	49,262,547	254,814,338	3.80	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	

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
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 108,164,053	\$ 119,117,533	\$ 141,276,550	\$ 140,417,832	\$ 122,602,479
Agricultural and Vacant	18,146,283	23,464,063	39,828,347	56,114,696	57,062,216
Residential (Owner Occupied)	70,948,949	79,542,254	104,686,686	150,329,796	184,544,411
Residential (Rental)	31,109,955	31,962,749	38,183,041	42,064,668	43,927,311
Railroad, Private Cars and Airlines	641,785	579,194	593,515	604,151	663,801
Historical Property	129,655	148,545	-	-	-
Total	<u>\$ 229,140,680</u>	<u>\$ 254,814,338</u>	<u>\$ 324,568,139</u>	<u>\$ 389,531,143</u>	<u>\$ 408,800,218</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	\$ 91,867,336	\$ 74,377,964	\$ 68,170,222	\$ 60,111,223	\$ 46,337,454
Agricultural and Vacant	47,728,055	34,715,616	24,078,197	26,945,694	16,861,854
Residential (Owner Occupied)	139,223,287	82,367,208	68,183,283	45,166,859	26,635,396
Residential (Rental)	31,272,329	15,048,701	8,224,483	4,029,608	3,349,992
Railroad, Private Cars and Airlines	694,819	672,111	650,233	619,002	325,448
Total	<u>\$ 310,785,826</u>	<u>\$ 207,181,600</u>	<u>\$ 169,306,418</u>	<u>\$ 136,872,386</u>	<u>\$ 93,510,144</u>

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	24 %	25 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	21	22	21	21	20

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

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

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

Fiscal Year Ended June 30	<u>Overlapping Rates</u>										
	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	District Direct Rates		
									Primary	Secondary	Total
2013	0.47	1.24	1.38	0.18	0.10	1.33	3.42	4.85	2.45	1.93	4.38
2012	0.43	1.24	1.21	0.18	0.10	1.33	2.91	4.06	1.33	2.47	3.80
2011	0.36	1.05	0.97	0.15	0.10	1.11	2.44	2.72	1.60	1.87	3.47
2010	0.33	0.99	0.88	0.14	0.10	1.11	2.51	2.10	2.51	1.26	3.77
2009		1.03	0.94	0.14	0.10	1.11	2.30	2.60	2.38	1.39	3.77
2008		1.10	0.98	0.15	0.10	1.11	2.67	2.86	2.33	1.61	3.94
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

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	2013		2004	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service	\$ 4,828,326	2.11 %	\$ 3,798,362	4.06 %
VHS of South Phoenix, Inc.	1,836,144	0.80		
Macy's Retail Holdings, Inc.	1,631,467	0.71		
DH Goodyear LLC	1,408,840	0.61		
Wigwam Country Development Co.	1,215,166	0.53		
Southwest Gas Corporation	1,152,656	0.50	1,018,343	1.09
The Market at Estrella Falls LLC	1,069,550	0.47		
Mirabella Avondale Apartments LLC	1,045,400	0.46		
First American Title Insurance Co.	968,057	0.42	793,965	0.85
Cardinal Capital Co.	948,302	0.41		
Suncor Development Company			5,550,095	5.94
Kabuto Arizona Properties LLC			2,592,650	2.77
Rubbermaid, Inc.			2,251,833	2.41
Qwest Corporation			1,517,386	1.62
McLane Company			1,288,030	1.38
Loral Corporation			1,158,243	1.24
Snyders of Hanover Snacks, Inc.			1,149,293	1.23
Total	<u>\$ 16,103,908</u>	<u>7.02 %</u>	<u>\$ 21,118,200</u>	<u>22.59 %</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
2013	\$ 9,944,964	\$ 9,564,004	96.17 %	\$	\$ 9,564,004	96.17 %
2012	9,610,825	9,200,259	95.73	354,520	9,554,779	99.42
2011	11,045,280	10,498,742	95.05	546,538	11,045,280	100.00
2010	13,522,874	12,513,492	92.54	717,686	13,231,178	97.84
2009	13,179,902	12,282,024	93.19	826,583	13,108,607	99.46
2008	10,838,782	10,396,831	95.92	441,951	10,838,782	100.00
2007	6,287,207	6,006,237	95.53	264,105	6,270,342	99.73
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

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	
2013	\$ 15,365,000	\$ 314,248	\$ 15,050,752	0.78 %	\$ 372	\$ 727,569	\$ 16,092,569	0.82 %	\$ 389	0.01 %	
2012	17,050,000	1,428,735	15,621,265	0.79	437	803,167	17,853,167	0.83	458	0.01	
2011	19,085,000	501,830	18,583,170	0.71	561	937,313	20,022,313	0.75	589	0.01	
2010	13,390,000		13,390,000	0.41	446	1,062,914	14,452,914	0.44	482	0.01	
2009	14,648,945	975,103	13,673,842	0.43	488	182,424	14,831,369	0.43	494	0.01	
2008	15,518,757	819,245	14,699,512	0.60	517	479,187	15,997,944	0.62	533	0.01	
2007	9,270,000	2,274,383	6,995,617	0.56	309	588,585	9,858,585	0.59	329	0.01	
2006	1,280,000	585,859	694,141	0.10	43	745,412	2,025,412	0.15	68	0.00	
2005	1,320,000	698,317	621,683	0.13	44	496,681	1,816,681	0.18	61	0.00	
2004	1,340,000	348,829	991,171	0.20	49	380,643	1,720,643	0.26	63	0.00	

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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 740,385,000	0.67 %	\$ 4,960,580
City of Avondale	34,385,000	35.03	12,045,066
City of Goodyear	118,395,000	0.01	11,840
City of Phoenix	1,183,899,000	0.30	3,551,697
City of Tolleson	34,685,000	27.67	9,597,340
Tolleson Union High School District No. 214	65,315,000	22.95	<u>14,989,793</u>
Subtotal, Overlapping Debt			<u>45,156,316</u>
Direct:			
Littleton Elementary School District No. 65			<u>16,092,569</u>
Total Direct and Overlapping Debt			<u><u>\$ 61,248,885</u></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, 2012 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 2013:

Secondary assessed valuation	\$ 229,140,680
Debt limit (5% of assessed value)	11,457,034
Debt applicable to limit	<u>15,365,000</u>
Legal debt margin	<u>\$ (3,907,966)</u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 229,140,680
Debt limit (15% of assessed value)	34,371,102
Debt applicable to limit	<u>15,365,000</u>
Legal debt margin	<u>\$ 19,006,102</u>

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 34,371,102	\$ 38,222,151	\$ 48,685,221	\$ 58,429,671	\$ 61,320,033
Total net debt applicable to limit	<u>15,365,000</u>	<u>17,050,000</u>	<u>19,085,000</u>	<u>13,390,000</u>	<u>14,500,000</u>
Legal debt margin	<u>\$ 19,006,102</u>	<u>\$ 21,172,151</u>	<u>\$ 29,600,221</u>	<u>\$ 45,039,671</u>	<u>\$ 46,820,033</u>
Total net debt applicable to the limit as a percentage of debt limit	45%	45%	39%	23%	24%

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 46,617,874	\$ 31,077,240	\$ 25,395,963	\$ 20,530,858	\$ 14,026,522
Total net debt applicable to limit	<u>15,070,000</u>	<u>9,270,000</u>	<u>1,280,000</u>	<u>1,320,000</u>	<u>1,340,000</u>
Legal debt margin	<u>\$ 31,547,874</u>	<u>\$ 21,807,240</u>	<u>\$ 24,115,963</u>	<u>\$ 19,210,858</u>	<u>\$ 12,686,522</u>
Total net debt applicable to the limit as a percentage of debt limit	32%	30%	5%	6%	10%

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.

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2012	3,824,058	\$ 147,374,500	\$ 38,539	9.1 %	41,324
2011	3,843,370	142,864,275	37,352	8.4	39,000
2010	3,817,117	142,091,618	35,319	8.5	34,000
2009	4,023,331	147,122,078	37,168	8.3	30,000
2008	3,987,942	139,665,253	36,135	4.8	30,000
2007	3,907,492	132,423,154	35,046	3.2	30,000
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

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 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, 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**

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	52,076	3.05 %	50,363	2.99 %
Walmart Stores, Inc.	31,837	1.86	18,677	1.11
Banner Health Systems	25,126	1.47	13,756	0.82
City of Phoenix	14,983	0.88	13,095	0.78
Wells Fargo Company	13,679	0.80		
Maricopa County	13,308	0.78	13,482	0.80
Apollo Group, Inc.	10,000	0.58		
Arizona State University	12,222	0.71	10,005	0.59
Raytheon Company			10,200	0.60
Bank of America	12,500	0.73		
Honeywell			12,000	0.71
Intel Corporation	11,000	0.64	9,500	0.56
JP Morgan Chase & Company	11,407	0.67		
Mesa Public Schools	8,400	0.49		
U.S. Postal Service	8,150	0.48	11,406	0.68
US Airways	9,237	0.54		
Albertson's			9,500	0.56
Bashas', Inc.			9,374	0.56
Safeway Stores			9,100	0.54
Fry's Food and Drug			9,053	0.54
Total	<u>233,925</u>	<u>13.68 %</u>	<u>199,511</u>	<u>11.84 %</u>
Total employment	<u>1,710,000</u>		<u>1,686,000</u>	

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

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory					
Superintendent					
Assistant principals	16	18	11	10	9
Total supervisory	<u>16</u>	<u>18</u>	<u>11</u>	<u>10</u>	<u>9</u>
Instruction					
Teachers	292	230	183	138	111
Other professionals (instructional)	17	11	4	5	1
Aides	71	68	35	25	17
Total instruction	<u>380</u>	<u>309</u>	<u>222</u>	<u>168</u>	<u>129</u>
Support and Administration					
Managers	9	5	8	8	5
Other classified	99	95	97	85	71
Total support and administration	<u>108</u>	<u>100</u>	<u>105</u>	<u>93</u>	<u>76</u>
Total	<u><u>504</u></u>	<u><u>427</u></u>	<u><u>338</u></u>	<u><u>271</u></u>	<u><u>214</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
2013	5,079	\$ 34,114,754	\$ 6,717	(4.42) %	\$ 38,582,853	\$ 7,597	(3.72) %	266	19.1	79.7 %
2012	4,860	34,152,797	7,027	8.21	38,344,376	7,890	5.36	280	17.4	82.6
2011	4,817	31,283,585	6,494	(13.62)	36,071,783	7,488	(10.24)	282	17.1	79.6
2010	4,742	35,652,713	7,518	8.07	39,559,257	8,342	(5.49)	300	15.8	80.2
2009	4,909	34,152,285	6,957	3.76	43,329,885	8,827	10.36	311	15.8	75.6
2008	4,650	31,178,624	6,705	13.06	37,191,021	7,998	11.87	292	15.9	78.7
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

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

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

	<u>Fiscal Year Ended June 30</u>									
	<u>2013</u>	<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>Schools</u>										
<u>Elementary</u>										
Buildings	25	25	25	25	22	18	17	17	16	15
Square feet	586,505	586,505	576,739	576,739	521,963	431,455	341,642	341,642	251,651	170,363
Capacity	7,261	7,261	7,261	7,261	6,386	5,263	4,140	4,140	3,015	2,010
Enrollment	5,079	4,860	4,817	4,742	4,909	4,237	3,638	3,330	2,672	1,839
<u>Middle</u>										
Buildings						6	6	6	6	6
Square feet						42,477	42,477	42,477	42,477	42,477
Capacity						480	480	480	480	480
Enrollment						413	482	441	486	465
<u>Administrative</u>										
Buildings	3	3	3	3	2	2	2	2	2	2
Square feet	44,678	44,678	44,678	44,678	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	25	23	23	24	28	27	20	20

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

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