

**GOLETA UNION SCHOOL DISTRICT
OF SANTA BARBARA COUNTY
GOLETA, CALIFORNIA**

**AUDIT REPORT
June 30, 2024**

GOLETA UNION SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2024

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Statement of Net Position – Proprietary Fund	25
Statement of Revenues, Expenses, and Changes in Net Position– Proprietary Fund	26
Statement of Cash Flows – Proprietary Fund	27
Statement of Fiduciary Assets and Liabilities	28
Statement of Changes in Net Position – Fiduciary Funds	29
Notes to Basic Financial Statements	30

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule:	
General Fund	57
Schedule of Proportionate Share of Net Pension Liability	58
Schedule of Pension Contributions	60
Schedule of Proportionate Share of Net OPEB Liability and Related Ratios	62

SUPPLEMENTARY INFORMATION SECTION

Combining Fund Financial Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	64
Combining Balance Sheet – Nonmajor Special Revenue Funds	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	68
Individual Nonmajor Fund Budgetary Comparison Schedules:	
Associated Student Body Fund	70
Child Development Fund	71
Cafeteria Fund	72
Deferred Maintenance Fund	73
Capital Facilities Fund	74
Organization	75
Schedule of Average Daily Attendance	76
Schedule of Instructional Time	77
Schedule of Financial Trends and Analysis	78
Schedule of Expenditures of Federal Awards	79
Note to Schedule of Expenditures of Federal Awards	80
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	82
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	84

GOLETA UNION SCHOOL DISTRICT
TABLE OF CONTENTS (Continued)
JUNE 30, 2024

SUPPLEMENTARY INFORMATION SECTION (Continued)

Independent Auditors' Report on State Compliance..... 85

Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control over Compliance in Required by
the Uniform Compliance..... 88

FINDINGS AND RECOMMENDATIONS SECTION

Schedule of Audit Findings and Questioned Costs 91

Schedule of Prior Fiscal Year Audit Findings and Questioned Costs 95

FINANCIAL SECTION



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Goleta Union School District
Goleta, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Goleta Union School District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Goleta Union School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the Goleta Union School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *2022-2023 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, Section 19810. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Goleta Union School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Goleta Union School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Goleta Union School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary information, the schedule of proportionate share of net pension liability, the schedule of pension contributions, and the schedule of proportionate share of net OPEB liability and related ratios, 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.

Supplementary Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Goleta Union School District's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Goleta Union School District. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administration Requirement for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements of the Goleta Union School District.

The supplementary information, listed in the table of contents, including the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the Goleta Union School District'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 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 the District's internal control over financial reporting and compliance.

Moss, Kelly & Hartshorn LLP

Santa Maria, California
December 13, 2024



GOLETA UNION SCHOOL DISTRICT
Fiscal Services

Board of Trustees

Dr. Vicki Ben-Yaacov, President
Sholeh Jahangir, Vice President
Ethan Bertrand, Clerk
Emily Zacarias, Member
Dr. Richard Mayer, Member

Assistant Superintendent

Conrad Tedeschi, CPA

This section of Goleta Union School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024 with comparative information for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all the activities of the Goleta Union School District using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the District (including capital assets and right-to-use leased assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities), and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regard to interfund activity, payables and receivables.

Governmental Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fund Financial Statements* include statements for each of the following three categories of activities: governmental, proprietary, and fiduciary.

The *Governmental Funds* are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The primary unit of the government is the Goleta Union School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - The District reports all its services are reported in this category. This includes the education of kindergarten through grade six students, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

Proprietary Funds – When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Change in Fund Net Position. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities, such as the District's Warehouse Revolving Fund. The internal service fund is reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for funds held on behalf of others, like our funds for pass through of special education funds to the Santa Barbara County Special Education Local Area Plan (SBCSELPA) and employee flexible spending accounts. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

Executive Summary

The 2023-24 fiscal year ended with a small operating surplus. Board approved budget reductions, prudent spending and unanticipated revenues moved GUSD from a budgeted deficit to a small surplus to end the 2023-24 fiscal year.

As a Community Funded District, GUSD relies heavily on local property taxes which are driven by the local economy and housing market. Revenues from all sources of property taxes in 2023-24 grew by 6.58%, which exceeded projections in property tax growth of 5.5% included in the Original Budget Report for 2023-24.

The Unaudited Actuals Report for 2023-24 reported an operating surplus of \$505,006 in the General Fund, where revenues exceeded by expenditures and transfers out. This surplus includes the impact of the negotiated settlements with the GUSD bargaining units of a 2.0% increase in compensation effective April 1, 2024.

Total revenues in the GUSD General Fund reached \$75,459,989, with \$14,323,660 coming from restricted resources and \$61,136,331 from unrestricted. Revenues exceeded expectations as an unanticipated allocation of ESSER funding for ASES of \$474,708 was received to support afterschool programs and Summer Thrive. Medi-Cal revenues received in 2023-24 exceeded original projections by \$318,589 due to extensive work by GUSD staff providing services and admin staff processing timely claims. Changes in the investment market for GUSD funds deposited in the County Treasury resulted in interest revenue in the General Fund to come in \$213,103 over the original budgeted amount.

Total expenditures and transfers out in the District General Fund for 2023-24 were \$74,954,984, with \$27,624,723 in expenditures made from restricted programs and \$47,330,261 from unrestricted. A total of \$56,228,208 was spent on instruction and instruction related services, including \$14,765,947 to provide special education services. Overall, savings that helped eliminate the deficit in the general fund were in professional services and books and supplies as departments and schools carefully managed expenditures. Professional services for Special Education, which includes contracts and legal fees, came in \$426,553 under budget. We budget very conservatively in the Maintenance and Operations & Transportation to ensure the resources to make repairs, etc. are available. Spending in M&O came in \$289,095 under budget and Transportation was under budget by \$127,589.

General Fund Reserves at the end of the 2023-24 fiscal year totaled \$12,748,114 of which \$2,408,936 is restricted. The total available fund balance reserve is \$10,323,492, which represents a 13.77% reserve in the General Fund at the end of 2023-24. This is up 4.30% from what was projected in the Second Interim Budget report. This increase is due to unanticipated revenues and reductions in spending districtwide as well as spending down of restricted balances.

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was \$(10,685,974) for the fiscal year ended June 30, 2024. Of this amount, \$(44,106,133) was unrestricted net position (deficit). Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limits the governing board's ability to use that net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Government Activities	
	2024	2023
Assets		
Current and other assets	\$ 47,918,641	\$ 60,604,286
Capital assets and right of use leased assets, net	\$ 39,998,056	28,760,012
Total assets	87,916,697	89,364,298
Deferred outflows of resources	28,283,932	24,374,001
Liabilities		
Current liabilities	4,396,303	11,833,158
Long-term liabilities other than OPEB and pension	40,220,816	40,197,979
Net other postemployment benefits (OPEB) liability	76,725,866	242,447
Aggregate net pension liability	0	66,450,566
Total liabilities	121,342,985	118,724,150
Deferred inflows of resources	5,543,618	7,390,192
Net Position		
Net investment in capital assets	20,355,651	14,841,247
Restricted	13,064,508	14,176,304
Unrestricted (deficit)	(44,106,133)	(41,393,594)
	<u>\$ (10,685,974)</u>	<u>\$ (12,376,043)</u>

The \$(44,106,133) in unrestricted net position (deficit) of all governmental activities represents the accumulated results of all past years' operations. Unrestricted net position deficit decreased by \$2,712,539 (6.55%) compared to \$(41,393,594). The increase in the total net position deficit is largely due to the larger amount of the cumulative pension liability.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Government Activities	
	2024	2023
Revenues		
Program revenues		
Charges for services and sales	\$ 455,378	\$ 147,035
Operating grants and contributions	16,356,261	16,084,559
General revenues		
Federal and State aid not restricted	4,351,726	4,057,165
Property taxes	58,175,050	54,844,924
Other general revenues	4,411,393	3,232,645
Total revenues	<u>83,749,808</u>	<u>78,366,328</u>
Expenses		
Instruction-related	56,691,703	53,626,340
Pupil services	8,623,685	7,189,890
Administration	5,300,805	4,898,267
Plant services	7,125,559	6,791,431
All other services	4,317,987	4,775,287
Total expenses	<u>82,059,739</u>	<u>77,281,215</u>
Change in net position	<u>1,690,069</u>	<u>1,085,113</u>

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was \$82,059,739. However, the amount that our taxpayers ultimately financed for these activities through local taxes was \$58,175,050 because the cost was paid by those who benefited from the programs \$455,378 or by other governments and organizations who subsidized certain programs with grants and contributions \$16,356,261. We paid for the remaining "public benefit" portion of our governmental activities with \$7,073,050 in Federal and State funds and other revenues, like interest and general entitlements.

In Table 3, we have presented the net cost of each of the District's largest functions – instruction-related, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	\$ 56,691,703	\$ 53,626,340	\$ (47,707,662)	\$ (44,198,197)
Pupil services	8,623,685	7,189,890	\$ (4,607,674)	(2,986,143)
Administration	5,300,805	4,898,267	\$ (4,963,662)	(4,793,031)
Plant services	7,125,559	6,791,431	\$ (4,728,261)	(6,650,588)
All other services	4,317,987	4,775,287	\$ (3,240,841)	(2,421,662)
Total	<u>\$ 82,059,739</u>	<u>\$ 77,281,215</u>	<u>\$ (65,248,100)</u>	<u>\$ (61,049,621)</u>

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$43,749,821, which is a decrease of \$9,694,119, or 18.1% from last year. This is largely due to the spending Measure M Bond dollars in the Building Fund (Table 4)

Table 4

Governmental Fund	Balances and Activity			
	July 1, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General Fund	\$ 12,243,109	\$ 75,309,989	\$ 74,804,984	\$ 12,748,114
Building Fund	29,726,833	\$ 1,507,526	\$ 11,507,864	\$ 19,726,495
Capital Facilities Fund	201,719	\$ 370,235	\$ 381,279	\$ 190,675
Bond Interest and Redemption Fund	7,012,987	\$ 4,735,725	\$ 5,806,189	\$ 5,942,523
Child Development Fund	0	\$ 1,047,191	\$ 776,166	\$ 271,025
Cafeteria Fund	3,504,592	\$ 3,563,014	\$ 2,809,850	\$ 4,257,756
ASB Fund	356,215	\$ 223,920	\$ 197,269	\$ 382,866
Deferred Maintenance Fund	398,485	\$ 170,379	\$ 338,497	\$ 230,367
Total	<u>\$ 53,443,940</u>	<u>\$ 86,927,979</u>	<u>\$ 96,622,098</u>	<u>\$ 43,749,821</u>

The General Fund is our principal operating fund. The fund balance in the General Fund increased \$505,005 to \$12,748,114. This increase is due unanticipated revenue from Medi-Cal and a onetime ESSER grant for the ASES program along with a strong increase in Property Tax Revenues. \$2,408,936 remains Restricted, and \$15,686 is Unspendable, leaving an Unassigned Unappropriated Fund Balance of \$10,323,492 for a reserve of 13.77%.

The Cafeteria Fund (Food Service) has done an incredible job feeding GUSD Students under the Free Meals for All program and maximizing revenue opportunities in 2023-24. The Federal Government eliminated the free meals program and meal applications were required for 2023-24. The State of California, however, wanted to make sure that healthy meals remained free for all students, so they continue to supplement the reimbursements to cover the meals for those that do not qualify for free meals. The Food Services Department has built up a significant reserve that will need to be spent down over the next few years, but it also will provide a safety net when the free meal supplement goes away.

The Deferred Maintenance Fund decreased \$168,118 to \$230,367 due to the spending of funds on many maintenance projects, such as HVAC unit replacements, roof repairs, plumbing issues, and other maintenance work.

The Building Fund saw a lot of activity during 2023-24. The first issue of bonds from the Measure M authorization was for a par value of \$5.7 million to be paid back over the next three years and will mature August 1, 2024. The second issue of \$30 million was executed during the 2022-23 fiscal year to fund the larger roofing, asphalt and HVAC projects and was enough to cover projects during 2023-24. These projects were considered work in progress at fiscal year-end as they were not completed by June 30, 2024.

Our Capital Facilities Fund decreased to \$190,676 due to a reduction in Developer Fee Revenue and expenditures for the design and delivery of relocatable buildings at El Camino School during 2023-24. Developer Fees charged by the District in 2021-22 were based on rates of \$4.79/ft². residential, \$0.78/ft². commercial) and are shared 50/50 with Santa Barbara Unified School District.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 26, 2024. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 51.

Final actual revenues exceeded budget due to the receipt of unanticipated revenues from Medi-Cal and other local sources, such as additional revenues from the Expanded Learning Opportunity Program.

Final expenditures were less than anticipated in the non-salary accounts due to cost saving efforts throughout the organization as reported on unspent encumbrances of purchase orders,

contracts, and the release of some contingency budget items.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2024, the District had \$40,042,927 in a broad range of capital assets, including land and construction in process, land improvements, buildings and improvements, furniture and equipment, and right-to-use leased assets. This amount represents a net increase (including additions, deductions, and depreciation) of \$11,298,751, or 39.4% from last year (Table 5). The increase is largely due to the buildings and improvement projects funded through the Measure M Bond.

Table 5

	Governmental Activities	
	2024	2023
Land and construction in progress	\$ 5,133,844	\$ 6,408,937
Land improvements, building and improvements	31,620,248	21,496,971
Furniture and equipment	3,243,964	793,397
Right-to-use leased assets	44,871	60,707
Total	<u>\$ 40,042,927</u>	<u>\$ 28,760,012</u>

We provide more detailed information regarding capital assets in Note 6 of the financial statements.

Long-Term Liabilities Other than OPEB and Pension

At the end of this year, the District had \$40,220,816 in long-term liabilities other than OPEB and Pension outstanding versus \$44,550,565 last year, a decrease of \$4,329,749, or 9.7%. Those obligations consisted of:

Table 6

	Governmental Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	\$ 37,465,000	\$ 41,445,000
Unamortized debt premium	2,240,871	2,469,981
Financing arrangement	72,541	161,385
Lease	43,741	56,614
Compensated absences	398,663	417,585
 Total	 <u>\$ 40,220,816</u>	 <u>\$ 44,550,565</u>

We provide more detailed information regarding long-term liabilities in Note 14 of the financial statements.

The State limits the amount of general obligation debt that Districts can issue to 1.25% of the assessed value of all taxable property within the District's boundaries, which was over \$16.6 billion in 2022-23. The District's outstanding general obligation debt is significantly below the statutorily imposed limit of \$207 million.

OPEB and Pension Liabilities

At year-end, the District had a net OPEB liability of \$232,383 versus \$242,447 last year, a decrease of \$10,064, or 4.2%.

In addition, at year-end, the District had an aggregate net pension liability of \$76,493,483 versus \$66,450,566 last year, an increase of \$10,042,917, or 15.1%.

We provide more detailed information regarding OPEB and Pension liabilities in Note 9 and Note 13 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2023-2024 ARE NOTED BELOW:

The Goleta Union School District (GUSD) continues to focus on providing a robust educational experience for all students from Preschool through the Sixth Grade. Significant effort and resources have been applied to the Science of Reading to enhance and develop solid literacy skills in all GUSD students. We continue to implement the Positive Behavior Interventions and Supports (PBIS) to support students and staff in dealing with student behavior. Efforts have also focused on mental health of students and staff, diversity, equity and inclusion and maintaining the high standard of well-rounded instruction. The pilot program to re-establish STEAM, art, and music instruction by hiring Content Specialists to provide direct instruction in those areas across all nine GUSD schools was made permanent and supported through the funding provided by the Proposition 28 initiative. LCAP goals remain strong, and budget and staff remain committed to the actions detailed in the plan. Investment continues in professional development in the Professional Learning Communities (PLC) initiative as well as a commitment to Positive Behavioral Intervention and Supports (PBIS) as the approach for handling behavior issues. GUSD continues to operate a robust afterschool program and has created the Summer Thrive program under the Expanded Learning Opportunity Grant. The ELOP programs service hundreds of GUSD students after school and the summer months while providing scholarships and reduced fees for income eligible students.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2024-2025 year, the governing board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Community Funded: Property tax revenues were projected to increase by four and a half percent for 2024-25 due to a continued healthy real estate market in the area.
2. Federal and State revenues were projected to grow slightly due to small COLA.
3. Other Local Revenues were increased to account for the growth in the fee-based Afterschool Programs that are almost at full capacity.

Expenditures are based on the following forecasts:

1. Salaries and benefits include amounts budgeted for filled positions and FTE along with mandated movement along salary schedules and do not include any projection of cost for negotiated settlements.
2. Benefits include the increase to the employer contribution for PERS and STRS
3. The Books and Supplies account was increased by \$700,000 to account for the purchase of a new Social Studies curriculum
4. Services and Supplies accounts are increased incrementally each year to account for inflation and other factors such as the need for contracted Special Education staff.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Conrad Tedeschi, CPA, Assistant Superintendent, Fiscal Services, at Goleta Union School District, 401 North Fairview Avenue, Goleta, California, 93117, or e-mail at ctedeschi@gusd.us. Financial reports can be found on the District website at www.gusd.us.

GOLETA UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2024

Assets	Governmental Activities
Cash in county treasury	\$ 44,476,277
Cash on hand and in banks	107,434
Revolving cash fund	15,185
Accounts receivable	3,176,951
Inventories, at cost	93,428
Prepaid expenses	4,495
Right to use asset	79,182
Less accumulated amortization	(34,311)
Land	1,437,060
Construction in progress	3,696,784
Buildings and improvements	60,828,473
Equipment	7,580,047
Less accumulated depreciation	(33,544,308)
Total assets	87,916,697
Deferred Outflows of Resources	
Deferred loss on debt refunding	408,382
Pensions	27,875,550
Total deferred outflows of resources	28,283,932
Liabilities	
Accounts payable	3,904,583
Interest payable	336,883
Unearned revenue	154,837
Long-term liabilities:	
Long-term liabilities other than OPEB and pensions due within one year	3,773,768
Long-term liabilities other than OPEB and pensions due in more than one year	36,447,048
Net other postemployment benefits (OPEB) liability	232,383
Net pension liability	76,493,483
Total liabilities	121,342,985
Deferred Inflows of Resources	
Pensions	5,543,618
Total deferred inflows or resources	5,543,618
Net Position	
Net investment in capital assets	20,355,651
Restricted for:	
Debt service	5,605,640
Educational programs	2,592,555
Capital projects	190,675
Nutrition	4,292,772
ASB	382,866
Unrestricted	(44,106,133)
Total net position	\$ (10,685,974)

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 49,379,082	\$ 54,610	\$ 7,718,960	\$ -
Instruction-related services:				
Instructional supervision and administration	2,023,239	3,068	666,541	
Instructional library, media, and technology	644,862		4,866	
School site administration	4,644,520	620	535,376	
Pupil services:				
Home-to-school transportation	1,479,480	713	4,438	
Food services	2,803,265	626	3,468,312	
All other pupil services	4,340,940	23,449	518,473	
General administration:				
All other general administration	5,300,805	2,381	334,762	
Plant services	7,125,559	341,359	71,933	1,984,006
Ancillary services	197,897		224,548	
Community services	688,891	28,249	814,594	
Interest on long-term debt	1,652,757			
Other outgo	61,304	303	9,452	
Amortization (unallocated)	15,836			
Depreciation (unallocated)	1,701,302			
Total governmental activities	<u>\$ 82,059,739</u>	<u>\$ 455,378</u>	<u>\$ 14,372,255</u>	<u>\$ 1,984,006</u>

General revenues:

Taxes and subventions:

 Taxes levied for general purposes

 Taxes levied for debt service

 Federal and state aid not restricted to specific
 purposes

 Interest and investment earnings

 Interagency revenues

 Miscellaneous

Total general revenues

Change in net position

Net position, beginning of fiscal year

Net position, end of fiscal year

The accompanying notes are an integral part of this statement.

<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>	
\$	(41,605,512)
	(1,353,630)
	(639,996)
	(4,108,524)
	(1,474,329)
	665,673
	(3,799,018)
	(4,963,662)
	(4,728,261)
	26,651
	153,952
	(1,652,757)
	(51,549)
	(15,836)
	<u>(1,701,302)</u>
	<u>(65,248,100)</u>
	53,713,067
	4,461,983
	4,351,726
	916,877
	13,286
	<u>3,481,230</u>
	<u>66,938,169</u>
	1,690,069
	<u>(12,376,043)</u>
\$	<u><u>(10,685,974)</u></u>

GOLETA UNION SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Building Fund
ASSETS:		
Cash in County Treasury	\$ 12,306,440	\$ 21,379,734
Cash on Hand and in Banks	106,654	-
Cash in Revolving Fund	11,191	-
Accounts Receivable	2,366,704	163,284
Due from Other Funds	576,514	-
Stores Inventories	-	-
Prepaid Expenditures	4,495	-
Total Assets	<u>\$ 15,371,998</u>	<u>\$ 21,543,018</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 2,280,155	\$ 1,514,429
Due to Other Funds	199,484	302,094
Unearned Revenue	144,245	-
Total Liabilities	<u>2,623,884</u>	<u>1,816,523</u>
Fund Balances:		
Nonspendable	15,686	-
Restricted	2,408,936	19,726,495
Assigned	-	-
Unassigned	10,323,492	-
Total Fund Balances	<u>12,748,114</u>	<u>19,726,495</u>
Total Liabilities and Fund Balances	<u>\$ 15,371,998</u>	<u>\$ 21,543,018</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
\$ 5,904,506	\$ 4,847,915	\$ 44,438,595
-	780	107,434
-	3,994	15,185
38,017	608,946	3,176,951
-	159,696	736,210
-	48,396	48,396
-	-	4,495
<u>\$ 5,942,523</u>	<u>\$ 5,669,727</u>	<u>\$ 48,527,266</u>
\$ -	\$ 85,571	\$ 3,880,155
-	240,875	742,453
-	10,592	154,837
<u>-</u>	<u>337,038</u>	<u>4,777,445</u>
-	52,390	68,076
5,942,523	5,049,932	33,127,886
-	230,367	230,367
-	-	10,323,492
<u>5,942,523</u>	<u>5,332,689</u>	<u>43,749,821</u>
<u>\$ 5,942,523</u>	<u>\$ 5,669,727</u>	<u>\$ 48,527,266</u>

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GOLETA UNION SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Total fund balances - governmental funds \$ 43,749,821

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 73,542,364
Accumulated depreciation	(33,544,308)
Lease assets at historical cost	79,182
Accumulated amortization	<u>(34,311)</u>

Net 40,042,927

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Bonds payable	\$ 37,465,000
Unamortized bond premium	2,240,871
Lease payable	43,741
Financing arrangements	72,541
Compensated absences payable	398,663
Net pension liability	76,493,483
Net OPEB liability	<u>232,383</u>

(116,946,682)

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statement of activities, it is recognized in the period that it is incurred.

(336,883)

Deferred outflows and inflows of resources relating to pensions and OPEB: In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred inflows of resources relating to pensions	\$ (5,543,618)
Deferred outflows of resources relating to pensions	<u>27,875,550</u>

22,331,932

Internal service funds are used to charge the cost of services to the individual funds.

The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position.

64,529

In governmental funds, loss on debt refunding is recognized as expenditures in the period they are incurred. In the government-wide statements, loss on debt refunding, is amortized over the life of the debt.

408,382

Total net position - governmental activities

\$ (10,685,974)

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Building Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	\$ 2,278,858	\$ -
Education Protection Account Funds	663,386	-
Local Sources	53,713,068	-
Federal Revenue	2,072,636	-
Other State Revenue	9,963,628	-
Other Local Revenue	6,768,413	1,507,526
Total Revenues	<u>75,459,989</u>	<u>1,507,526</u>
Expenditures:		
Current:		
Instruction	49,252,717	-
Instruction - Related Services	6,975,491	-
Pupil Services	5,816,256	-
Ancillary Services	628	-
Community Services	82,308	-
General Administration	4,958,674	-
Plant Services	6,162,556	341,229
Other Outgo	61,304	-
Capital Outlay	1,383,934	11,166,635
Debt Service:		
Principal	101,717	-
Interest	9,399	-
Total Expenditures	<u>74,804,984</u>	<u>11,507,864</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>655,005</u>	<u>(10,000,338)</u>
Other Financing Sources (Uses):		
Transfers In	-	-
Transfers Out	(150,000)	-
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balances	505,005	(10,000,338)
Fund Balances, July 1	12,243,109	29,726,833
Fund Balances, June 30	<u>\$ 12,748,114</u>	<u>\$ 19,726,495</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,278,858
-	-	663,386
-	-	53,713,068
-	1,429,098	3,501,734
12,863	2,980,806	12,957,297
4,722,862	814,835	13,813,636
<u>4,735,725</u>	<u>5,224,739</u>	<u>86,927,979</u>
-	-	49,252,717
-	134,089	7,109,580
-	2,560,584	8,376,840
-	197,269	197,897
-	580,435	662,743
-	161,061	5,119,735
-	420,139	6,923,924
-	-	61,304
-	449,484	13,000,053
3,980,000	-	4,081,717
1,826,189	-	1,835,588
<u>5,806,189</u>	<u>4,503,061</u>	<u>96,622,098</u>
<u>(1,070,464)</u>	<u>721,678</u>	<u>(9,694,119)</u>
-	150,000	150,000
-	-	(150,000)
-	<u>150,000</u>	<u>-</u>
(1,070,464)	871,678	(9,694,119)
7,012,987	4,461,011	53,443,940
<u>\$ 5,942,523</u>	<u>\$ 5,332,689</u>	<u>\$ 43,749,821</u>

GOLETA UNION SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds	\$ (9,694,119)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$13,000,053 is less than depreciation expense of (\$1,701,302) and amortization expense of \$(15,836) in the period.	11,282,915
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:	41,539
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used was more than the amounts earned by \$18,922.	18,922
In governmental funds, OPEB costs are recognized when the employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between OPEB costs and actual employer contributions was:	10,064
In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt. Amortization of debt issue premium for the period is:	229,110
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	(4,207,412)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	4,081,717
Internal service funds are used by the District to charge the costs of service to individual funds. The net income of internal service funds is reported in governmental activities.	6,333
In governmental funds, loss on debt refunding is recognized as expenditures in the period they are incurred. In the government-wide financial statements, loss on debt funding costs is amortized over the life of the debt. Amortization for the period was:	<u>(79,000)</u>
Change in net position - governmental activities	<u>\$ 1,690,069</u>

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2024

	Internal Service Fund
	Warehouse Revolving Fund
ASSETS:	
Current Assets:	
Cash in County Treasury	\$ 37,682
Due from Other Funds	6,243
Store Inventories	45,032
Total Current Assets	88,957
Total Assets	88,957
LIABILITIES:	
Current Liabilities:	
Accounts Payable	24,428
Total Current Liabilities	24,428
Total Liabilities	24,428
NET POSITION:	
Unrestricted (Deficit)	64,529
Total Net Position	\$ 64,529

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Internal Service Fund
	Warehouse Revolving Fund
Operating Revenues:	
Local Revenues	\$ 200,668
Total Revenues	200,668
Operating Expenses:	
Books and Supplies	195,031
Total Expenses	195,031
Operating income (loss)	5,637
Non-Operating Revenues (Expenses):	
Interest income	696
Total non-operating revenues (expenses)	696
Change in net position	6,333
Net position, July 1, 2023	58,196
Net position, June 30, 2024	\$ 64,529

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Internal Service Fund Warehouse Revolving Fund
Cash Flows from Operating Activities:	
Cash received for services	\$ 200,668
Cash paid for supplies	<u>(197,915)</u>
Net cash provided by operating activities	2,753
Cash Flows from Investing Activities:	
Interest income	<u>696</u>
Net increase in cash and cash equivalents	3,449
Cash and cash equivalents at July 1, 2023	<u>34,233</u>
Cash and cash equivalents at June 30, 2024	<u><u>\$ 37,682</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income (loss)	\$ 5,637
Change in assets and liabilities	
Stores inventories	(16,065)
Accounts payable	19,660
Due to other funds	<u>(6,479)</u>
Net cash provided by operating activities	<u><u>\$ 2,753</u></u>

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2024

	Custodial Funds
ASSETS:	
Cash in Bank	\$ 40,978
Receivables	1,244,184
Total Assets	\$ 1,285,162
 LIABILITIES:	
Accounts Payable	1,244,184
Due to employees	40,978
Total Liabilities	\$ 1,285,162

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Custodial Funds</u>
Additions:	
Contributions	
Federal sources	\$ 2,248,358
State sources	41,512,464
Interest	<u>422</u>
Total contributions	<u>43,761,244</u>
Deductions:	
Pass-thru to Special Education Local Plan Area (SELPA)	<u>43,761,244</u>
Net Increase (Decrease) in Fiduciary Net Position	<u> </u>
Net position, July 1, 2023	<u> </u>
Net position, June 30, 2024	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Policies

The District accounts for its financial transactions in accordance with policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

B. Reporting Entity

The reporting entity is the Goleta Union School District. There are no component units included in this report which meet the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Internal Service Fund activity is eliminated to avoid doubling revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. Government-wide statements differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the proprietary fund's Statement of Net Position. The Statements of Revenues, Expenses, and Changes in Net Position for proprietary funds presents increases (i.e. revenues) and decreases (i.e. expenses) in the net position. The statement of cash flows provides information about how the District finances and meets the cash flow need of its proprietary activities.

Proprietary funds, distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds and Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within one year after fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

Pensions:

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

Other Postemployment Benefits (OPEB)

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

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The District's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, nonmajor, proprietary and fiduciary funds, as follows:

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting (Continued)

Major Governmental Funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Building Fund is used for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The Bond Interest and Redemption Fund is used to account for general obligation bond interest and redemption of bond principal.

Nonmajor Governmental Funds:

Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund. The District maintains four nonmajor special revenue funds:

1. The Associated Student Body Fund is used to account for raising and expending of money to promote the general welfare, morale, and educational experience of the student body.
2. The Child Development Fund is used to account for resources committed to child development programs.
3. The Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.
4. The Deferred Maintenance Fund is used for the purpose of major repairs or replacement of the District's Property.

Capital Projects Funds are set up by the District to account for special revenues that are to be used to build new facilities. The District maintains one nonmajor capital project funds.

1. The Capital Facilities Fund issued to account for resources received from developer impact fees assessed under the provision of the California Environmental Quality Act (CEQA).

Proprietary Fund:

The Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District. The District maintains one internal service fund: the Warehouse Revolving Fund, which is used for stores inventory.

Fiduciary Funds

Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is composed of agency funds and trust funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's custodial funds account for pass thru of special education funds to the Santa Barbara County Special Education Local Area Plan (SBCSELPA) and the employee flexible spending account.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By State law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and District Superintendent during the fiscal year to give consideration to unanticipated income and expenditures.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets and Budgetary Accounting (Continued)

Formal budgetary integration was employed as a management control device during the fiscal year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

I. Statement of Cash Flows

For the purposes of the statement of cash flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

J. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

1. Deposits and Investments

Cash balances held in banks and in revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Santa Barbara County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq.. The funds maintained by the County are either secured by the Federal Depository Insurance Corporation or are collateralized.

Information regarding the amount of dollars invested in derivatives with the Santa Barbara County Treasury was not available.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables.

3. Inventories and Prepaid Items

Inventory is recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventory is valued at the lower of cost (first-in, first out) or market and consists of expendable supplies held for consumption.

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the period purchased.

4. Bond Premiums and Loss on Refunding

In the government-wide financial statements, long-term debt are reported as liabilities in the governmental activities statement of net position. Bond premiums and loss on refunding are deferred and amortized over the life of the bonds using the straight-line method.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

5. Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed capital assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the capital assets or materially extend the capital assets' lives are not capitalized but are expensed as incurred. Depreciation on all capital assets is computed using the straight-line basis over the following estimated useful lives.

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation, and air conditioning systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression system	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop and maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PCs, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds equipment	Mowers, tractors, attachments	15

6. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceed qualified expenditures.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

7. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 11 and Note 13 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualify for reporting in this category; refer to Note 13 for a detailed list of the deferred inflows of revenues the District has recognized.

8. Compensated Absences

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated employee sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

10. Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

11. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

11. Fund Balances (Continued)

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

12. Property Taxes

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately on October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local LCFF sources by the District.

K. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 101 "Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.
Statement No. 102 "Certain Risk Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2024.
Statement No. 103 "Financial Reporting Model Improvements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.
Statement No. 104 "Disclosure of Certain Capital Assets"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 - CASH AND INVESTMENTS

The District's cash and investments at June 30, 2024, consisted of the following:

Cash in County Treasury	\$ 44,476,277
Cash on hand and in banks	148,412
Cash in revolving fund	15,185
Total cash and investments	<u>\$ 44,639,874</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Statement of net position:	
Cash in County Treasury	\$ 44,476,277
Cash in revolving fund	15,185
Cash on hand and in banks	107,434
Statement of fiduciary assets and liabilities:	
Cash in bank	40,978
Total cash and investments	<u>\$ 44,639,874</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have investments that are measured under Level 1, Level 2, or Level 3.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Santa Barbara County Treasury as part of the common investment pool (\$44,476,277 as of June 30, 2024). The fair value of this pool as of that date, as provided by the plan sponsor, was \$44,476,277. The District is considered to be an involuntary participant in the external pool. Interest is deposited in the participating funds. The County is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, State registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Cash on Hand, in Banks, and in Revolving Fund

Cash balance on hand and in banks (\$148,412 as of June 30, 2024) and in the revolving fund (\$15,185) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the County of Santa Barbara. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
Santa Barbara County Investment Pool	\$ 44,476,277	\$ 44,476,277	\$ -	\$ -	\$ -
Total	\$ 44,476,277	\$ 44,476,277	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code and the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$ 44,476,277	N/A	\$ -	\$ -	\$ -	\$ 44,476,277
Total	\$ 44,476,277		\$ -	\$ -	\$ -	\$ 44,476,277

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, none of the District's deposits with financial institutions in excess of the Federal Depository Insurance Corporation limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Santa Barbara County Investment Pool).

NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no excess of expenditures over appropriations in any individual fund.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 4 - RECEIVABLES

Receivables at June 30, 2024, consist of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Internal Service Fund	Fiduciary Funds
Federal Government:						
Categorical aid programs	\$ 1,416,246	\$ -	\$ -	\$ 261,581	\$ -	\$ -
State Government:						
Categorical aid programs	119,741			315,408		1,244,184
Lottery	210,218					
Local Sources:						
Interest	155,072	163,284	38,017	31,795		
Goleta Ed Foundation	123,438					
After care program	72,926					
Miscellaneous	269,063			162		
Totals	<u>\$ 2,366,704</u>	<u>\$ 163,284</u>	<u>\$ 38,017</u>	<u>\$ 608,946</u>	<u>\$ -</u>	<u>\$ 1,244,184</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Due From/Due to Other Funds

Individual fund interfund receivable and payable balances at June 30, 2024, are as follows:

Fund	Interfund Receivables	Interfund Payables
Major Fund:		
General Fund	\$ 576,514	\$ 199,484
Building Fund		302,094
Nonmajor Funds:		
ASB Fund	5,472	60
Child Development Fund		136,455
Cafeteria Fund	4,224	104,360
Deferred Maintenance Fund	150,000	
Proprietary Fund:		
Internal Service Fund	6,243	
Totals	<u>\$ 742,453</u>	<u>\$ 742,453</u>

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

GOLETA UNION SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2024

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

Interfund transfers for the 2023-2024 fiscal year, are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Fund:		
General Fund	\$ -	\$ 150,000
Nonmajor Fund:		
Deferred Maintenance Fund	150,000	
Totals	<u>\$ 150,000</u>	<u>\$ 150,000</u>

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the fiscal year ended June 30, 2024, is shown below:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated:				
Land	\$ 1,437,060	\$ -	\$ -	\$ 1,437,060
Construction in progress	4,971,877		1,275,093	3,696,784
Total capital assets, not being depreciated	<u>\$ 6,408,937</u>	<u>\$ -</u>	<u>\$ 1,275,093</u>	<u>\$ 5,133,844</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 49,274,010	\$ 11,554,463	\$ -	\$ 60,828,473
Equipment	4,859,364	2,720,683		7,580,047
Total capital assets, being depreciated	<u>54,133,374</u>	<u>14,275,146</u>		<u>68,408,520</u>
Less accumulated depreciations				
Buildings and improvements	27,777,039	1,431,186		29,208,225
Equipment	4,065,967	270,116		4,336,083
Total accumulated depreciation	<u>31,843,006</u>	<u>1,701,302</u>		<u>33,544,308</u>
Total capital assets, being depreciated, net	<u>\$ 22,290,368</u>	<u>\$ 12,573,844</u>	<u>\$ -</u>	<u>\$ 34,864,212</u>
Net capital assets	<u>\$ 28,699,305</u>	<u>\$ 12,573,844</u>	<u>\$ 1,275,093</u>	<u>\$ 39,998,056</u>

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Unallocated	<u>\$ 1,701,302</u>
Total Depreciation Expense	<u>\$ 1,701,302</u>

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 - RIGHT TO USE ASSET

Right to use asset activity for the District for the fiscal year ended June 30, 2024, is shown below:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Right to use assets				
Vehicle	\$ 79,182	\$ -	\$ -	\$ 79,182
Total right to use assets	<u>\$ 79,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,182</u>
Less accumulated amortization for:				
Vehicle	\$ 18,475	\$ 15,836	\$ -	\$ 34,311
Total accumulated amortization	<u>\$ 18,475</u>	<u>\$ 15,836</u>	<u>\$ -</u>	<u>\$ 34,311</u>
Right to use assets, net	<u>\$ 60,707</u>	<u>\$ (15,836)</u>	<u>\$ -</u>	<u>\$ 44,871</u>

NOTE 8 - BONDED DEBT

The outstanding general obligation bonded debt of the Goleta Union School District at June 30, 2024, is:

Date of Issue	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
Current Interest:							
July 2013	August 2029	2.00-5.00%	\$ 17,650,000	\$ 8,145,000	\$ -	\$ 1,280,000	\$ 6,865,000
May 2021	August 2024	1.00-1.50%	5,700,000	3,300,000		2,700,000	600,000
Nov 2022	August 2027	4.00-5.00%	30,000,000	30,000,000			30,000,000
			<u>\$ 53,350,000</u>	<u>\$ 41,445,000</u>	<u>\$ -</u>	<u>\$ 3,980,000</u>	<u>\$ 37,465,000</u>

2013 General Obligation Refunding Bonds

In July 2013, the District issued the 2013 General Obligation Refunding Bonds in the amount of \$17,650,000. The bonds mature through August 1, 2029, with interest rates ranging from 2.00% to 5.00%. The bonds were issued to refund the District's outstanding principal balance of the Golden West Schools Financing Authority 2005 General Obligation Bonds and pay costs of issuance for the bonds. At June 30, 2024, the principal balance outstanding was \$6,865,000, and the remaining unamortized premium was \$509,571. Deferred loss on the refunding amounted to \$408,382.

2020 Election General Obligation Bonds, 2021 Series A

In May 2021, the District issued the 2021 Election General Obligation Bonds, 2021 Series A in the amount of \$5,700,000. The 2021 Series A bonds represent the first in a series of bonds not to exceed \$80,000,000, approved by at least 55% of the voters in November 2020. The 2021 Series A bonds were issued as current interest bonds at an aggregate price of \$5,826,618, including the principal amount of \$5,700,000, plus an original issue premium of \$126,618 and costs of issuance of \$177,567.

The bonds have a final maturity of August 1, 2024, with interest rates ranging from 1.00 to 1.50%. Proceeds from the sale of the bonds will be used repair and renovate school facilities, including upgrading technology, improving handicap accessibility, increasing the use of renewable energy, and to pay costs of issuance for the bonds. At June 30, 2024, the principal balance outstanding was \$600,000, and the remaining unamortized premium was \$3,332.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 - BONDED DEBT (Continued)

2020 Election General Obligation Bonds, 2022 Series B

In November 2022, the District issued the 2020 Election General Obligation Bonds, 2022 Series B in the amount of \$30,000,000. The 2022 Series B bonds represent the second in a series of bonds not to exceed \$80,000,000, approved by at least 55% of the voters in November 2020. The 2022 Series B bonds were issued as current interest bonds at an aggregate price of \$31,871,337, including the principal amount of \$30,000,000, plus an original issue premium of \$1,871,337 and costs of issuance of \$242,461.

The bonds have a final maturity of August 1, 2043, with interest rates ranging from 4.00 to 5.00%. Proceeds from the sale of the bonds will be used repair and renovate school facilities, including upgrading technology, improving handicap accessibility, increasing the use of renewable energy, and to pay costs of issuance for the bonds. At June 30, 2023, the principal balance outstanding was \$30,000,000, and the remaining unamortized premium was \$1,727,968.

The annual requirements to amortize general obligation bonds payable outstanding as of June 30, 2024, are as follows:

Current Interest Bonds			
Fiscal Year Ended June 30	Principal	Interest	Total
2025	\$ 3,455,000	\$ 1,695,643	\$ 5,150,643
2026	2,165,000	1,565,643	3,730,643
2027	2,335,000	1,453,143	3,788,143
2028	1,800,000	1,349,768	3,149,768
2029	1,010,000	1,283,068	2,293,068
2030-2034	2,995,000	5,956,040	8,951,040
2035-2039	5,180,000	5,010,040	10,190,040
2040-2044	8,475,000	3,592,435	12,067,435
2045-2048	10,050,000	1,113,789	11,163,789
	<u>\$ 37,465,000</u>	<u>\$ 23,019,569</u>	<u>\$60,484,569</u>

NOTE 9 – FINANCING AGREEMENT

The District entered into an arrangement to purchase two school buses. Under the terms of the agreement, the District makes three annual payments of \$94,317, and a final payment of \$75,000, for total principal and interest of \$357,951. The annual interest rate charged on the arrangement is 3.39%.

The remaining annual payments are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2025	\$ 72,541	\$ 2,459	\$ 75,000
	<u>\$ 72,541</u>	<u>\$ 2,459</u>	<u>\$ 75,000</u>

NOTE 10 – LEASE PAYABLE

The District entered into an agreement to lease a maintenance vehicle for five years, beginning June 1, 2022. Under the terms of the lease, the District made an initial payment of \$9,698 and will make monthly payments of \$1,400, which amount to total principal and interest costs of \$93,693. The annual interest rate charged on the lease is 7.73%. At June 30, 2022, the District has recognized a right to use asset of \$79,182.

GOLETA UNION SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2024

NOTE 10 – LEASE PAYABLE (Continued)

The remaining principal and interest payment requirements for the lease payable as of June 30, 2024 is as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2025	\$ 13,904	\$ 2,985	\$ 16,889
2026	15,017	1,782	16,799
2027	14,820	579	15,399
	<u>\$ 43,741</u>	<u>\$ 5,346</u>	<u>\$ 49,087</u>

NOTE 11 - DEFERRED OUTFLOWS OF RESOURCES – DEBT REFUNDING

At June 30, 2024, deferred outflows of resources, relating to debt refunding, reported in the statement of net position, consisted of the following:

	<u>Governmental Activities</u>
Deferred loss on refunding	<u>\$ 408,382</u>
	<u>\$ 408,382</u>

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)Plan Description

CalSTRS administers a cost sharing multiple-employer other postemployment benefit plan (OPEB), the Medicare Premiums Payment Program (MPP) for all eligible members of the State Teachers' Retirement plan that were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided

The Medicare Premiums Payment Program (MPP) provides all employees' Medicare Part A premiums and Medicare Part A and B late enrollment surcharges for eligible members of the State Teachers' Retirement plan that were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported a liability of \$232,383 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school. At June 30, 2023, the District's proportion was .0766%, which was an increase of .0030% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$(10,064).

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions

The District's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 that was rolled forward to determine the June 30, 2023 total OPEB liability, based on the following actuarial methods and assumptions:

Discount Rate	3.65%
Investment Rate of Return	3.65%
Mortality Rate	110% of ultimate improvement factor from MP-2016 tables issued by the Society of Actuaries
Medicare Part A Premium Costs Trend Rate	4.50%
Medicare Part B Premium Costs Trend Rate	5.40%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016), issued by the Society of Actuaries.

Change in Assumptions

For the June 30, 2023 actuarial, the discount rate was increased from 3.54 percent to 3.65 percent.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65 percent. The MPP Program is funded on a pay-as-you-go basis and under this method, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, was applied to all periods of projected benefit payments to measure the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
District's proportionate share of the net OPEB liability	\$ 252,553	\$ 232,383	\$ 214,846

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measure period ended June 30, 2023:

	1% Decrease (3.5% Part A and 4.4% Part B)	Trend Rate (4.5% Part A and 5.4% Part B)	1% Increase (5.5% Part A and 6.4% Part B)
Net OPEB Liability	\$ 213,816	\$ 232,383	\$ 253,346

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Plan Fiduciary Net Position

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer. For more information on the Surplus Money Investment Fund, see <https://www.treasurer.ca.gov/pmia-laif/pmia/index.asp>.

Payables to the OPEB Plan

At June 30, 2024, the District had no amount outstanding for contributions to the OPEB plan required for the fiscal year ended June 30, 2024.

NOTE 13 - PENSION PLANS

State Teachers' Retirement System (CalSTRS)

A. General Information about the Pension Plan

Plan Descriptions – All qualified California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system are eligible to participate in the CalSTRS Pension Plans, multiple-employer, cost-sharing defined benefit plans administered by the California State Teacher's Retirement System (CalSTRS). Benefit provisions under the Plans are established by the Teachers' Retirement Law (California Education Code Section 22000 et seq), as enacted and amended by the California Legislature. The benefit terms of the plans may be amended through legislation CalSTRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalSTRS website.

Benefits Provided – The CALSTRS Defined Benefit Program has two benefit formulas:

CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform services that could be creditable to CalSTRS

CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform services that could be creditable to CalSTRS

The Defined Benefit Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon death of eligible members.

After earning five years of credited service, members become 100 percent vested in retirement benefits.

After five years of credited service, a member (prior to age 60 if under Coverage A, no age limit if under Coverage B, as defined in Education Code Sections 24001 and 24101, respectively) is eligible for disability benefits of up to 50.0 percent of final compensation plus 10.0 percent of final compensation for each eligible child, up to a maximum addition of 40.0 percent. The member must have a disability that will exceed a period of 12 or more months to qualify for benefit.

Any compensation for service in excess of one year in a school year due to overtime or working additional assignments is credited to the Defined Benefit Supplement Program so long as it is under the creditable compensation limit. Other compensation, such as allowances, bonuses, cash in-lieu of fringe benefits, limited-period compensation or compensation determined to have been paid to enhance a benefit, are not creditable to any CalSTRS benefit program.

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)

State Teachers' Retirement System (CalSTRS) (Continued)

A. General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	55-65
Monthly benefits, as a % of eligible compensation	2.0% to 2.4%	2.00%
Required employee contributions rates	10.25%	10.205%
Required employer contribution rates	19.10%	19.10%
Required state contribution rates	10.828%	10.828%

Specific details for the retirement, disability or death benefit calculations for each of the pension plans are available in the CalSTRS Annual Comprehensive Financial Report (ACFR). The CalSTRS' ACFR is available online at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Contributions – Required member, employer and state contribution rates are set by the California Legislature and Governor and are detailed in the Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

On-Behalf Payments – The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions to CalSTRS.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the contributions recognized as part of pension expense were as follows:

Contribution-employer	\$ 5,613,012
Contribution-State	\$ 2,913,642

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	\$ 38,019,914
State's proportionate share of the net pension liability associated with the District	18,098,574
Total	<u>\$ 56,118,488</u>

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was .0499%, which increased by .0010% from its proportion measured as of June 30, 2022.

GOLETA UNION SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)**State Teachers' Retirement System (CalSTRS) (Continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$6,110,890. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,987,849	\$ 2,033,687
Changes of assumptions	220,141	
Net difference between projected and actual earning on pension plan investments	160,838	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,413,287	2,851,629
District contributions subsequent to the measurement date	5,426,866	
Total	<u>\$ 11,208,981</u>	<u>\$ 4,885,316</u>

\$5,426,866 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Amount
2025	\$ (1,074,091)
2026	(1,692,709)
2027	3,130,952
2028	57,369
2029	64,527
2030	410,751

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)

State Teachers' Retirement System (CalSTRS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal
Discount Rate	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. In January 31, 2020, the CalSTRS' retirement board changed the mortality assumptions based on the July 1, 2015 through June 30, 2018 Experience Analysis. The projection scale was set to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries. For further details, see CalSTRS July 1, 2015 through June 30, 2018 Experience Analysis on the CalSTRS website.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance - PCA) as an input to the process. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are normally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on January 31, 2020, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	38 %	5.25 %
Real Estate	15 %	4.05 %
Private Equity	14 %	6.75 %
Fixed Income	14 %	2.45 %
Risk Mitigating Strategies	10 %	2.25 %
Inflations Sensitive	7 %	3.65 %
Cash/Liquidity	2 %	0.05 %
	<u>100 %</u>	

*10-year geometric average

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)

State Teachers' Retirement System (CalSTRS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the CalSTRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

1% Decrease	6.10%
Net Pension Liability	\$ 63,775,373
Current Discount Rate	7.10%
Net Pension Liability	\$ 38,019,914
1% Increase	8.10%
Net Pension Liability	\$ 16,627,005

Pension Plan Fiduciary Net Position —Detailed information about pension plan's fiduciary net position is available in the separately issued CalSTRS financial reports.

C. Payable to the Pension Plan

At June 30, 2024, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2024.

California Public Employees' Retirement System (CalPERS)

A. General Information About the Pension Plan

Plan Description - The Goleta Union School District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Plan membership consists of non-teaching and non-certificated employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

California Public Employees' Retirement System (CalPERS)

Benefits Provided—The CalPERS Defined Benefit Program has two benefit formulas:

CalPERS 2% at 55: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalPERS.

CalPERS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalPERS.

After earning five years of credited service, members become 100 percent vested in retirement benefits.

A family benefit is available if an active member dies and has at least one year of credited service.

Members' accumulated contributions are refundable with interest upon separation from CalPERS. The board determines the credited interest rate each fiscal year.

The member's benefit is reduced dollar for dollar, regardless of age, for the first 180 days after retirement if the member performs activities in the public schools that could be creditable to CalPERS, unless the governing body of the school district takes specified actions with respect to a member who is above normal retirement age.

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 50	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.17% to 2.5%	1.00% to 2.5%
Required employee contributions rates	7%	8%
Required employer contribution rates	26.680%	26.680%

Specific details for retirement, disability or death benefit calculations for each of the pension plans are available in the CalPERS' Annual Comprehensive Financial Report (ACFR). The CalPERS' ACFR is available online at <https://www.calpers.ca.gov/page/forms-publications>.

Contributions – Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Local Government is required to contribute the difference between the actuarially determined rate of employees.

For the fiscal year ended June 30, 2024, the contribution recognized as part of pension expense was as follows:

Contribution – employer	\$ 4,679,335
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GOLETA UNION SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)**California Public Employees' Retirement System (CalPERS) (Continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2024, the District reported net pension liability for its proportionate shares of the net pension liability was \$38,473,569.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was .1063%, which increased by .0119% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$8,173,719. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,404,009	\$ 590,898
Changes of assumptions	1,772,462	
Net difference between projected and actual earning on pension plan investments	4,109,526	
Changes in proportion and differences between District contributions and proportionate share of contributions	4,465,712	67,404
District contributions subsequent to the measurement date	4,914,860	
	<u>\$ 16,666,569</u>	<u>\$ 658,302</u>

\$4,914,860 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Amount
2025	\$ 3,931,220
2026	3,174,785
2027	3,859,509
2028	127,893

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)

California Public Employees' Retirement System (CalPERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal
Discount Rate	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies
Post-retirement Benefit Increases	Up to 2.00% until purchasing power protection Allowance flows purchasing power applies, 2.30% thereafter

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF B), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing the plans, the tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund, including PERF B. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term project portfolio return.

GOLETA UNION SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2024

NOTE 13 - PENSION PLANS (Continued)**California Public Employees' Retirement System (CalPERS) (Continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The expected real rates of return by asset class are as followed:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Expected Real Rate of Return Years 1-10(a)(b)</u>
Global Equity - cap weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	<u>100.0%</u>	

(a) An expected inflation of 2.30% was used for this period

(b) Figures are based on the 2021-22 Asset Liability Management study.

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

1% Decrease	5.90%
Net Pension Liability	\$ 55,622,836
Current Discount Rate	6.90%
Net Pension Liability	\$ 38,473,569
1% Increase	7.90%
Net Pension Liability	\$ 24,300,090

Pension Plan Fiduciary Net Position —Detailed information about pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2024, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2024.

GOLETA UNION SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - LONG-TERM LIABILITIES – SCHEDULE OF CHANGES

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2024, is shown below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within one year
Bonds payable	\$ 41,445,000	\$	\$ 3,980,000	\$ 37,465,000	\$ 3,455,000
Bond premium	2,469,981		229,110	2,240,871	192,457
Compensated absences	417,585	306,159	325,081	398,663	39,866
Financing Agreement	161,385		88,844	72,541	72,541
Lease	56,614		12,873	43,741	13,904
Net pension liability	66,450,566	10,042,917		76,493,483	
Net OPEB liability	242,447		10,064	232,383	
Totals	<u>\$ 111,243,578</u>	<u>\$ 10,349,076</u>	<u>\$ 4,645,972</u>	<u>\$ 116,946,682</u>	<u>\$ 3,773,768</u>

NOTE 15 - NET POSITION

The government-wide and fiduciary funds financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District, not restricted for any project or other purpose.

NOTE 16 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable					
Revolving cash	\$ 11,191	\$ -	\$ -	\$ 3,994	\$ 15,185
Stores inventory				48,396	48,396
Prepaid Expenditures	4,495				4,495
Restricted					
Legally restricted programs	2,321,530			271,025	2,592,555
Food service	87,406			4,205,366	4,292,772
Capital projects		19,726,495		190,675	19,917,170
ASB				382,866	382,866
Debt service			5,942,523		5,942,523
Assigned					
Deferred maintenance				230,367	230,367
Unassigned					
Remaining unassigned	10,323,492				10,323,492
Total	<u>\$12,748,114</u>	<u>\$ 19,726,495</u>	<u>\$ 5,942,523</u>	<u>\$ 5,332,689</u>	<u>\$43,749,821</u>

GOLETA UNION SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 17 - JOINT VENTURES

The District is a member of the Self-Insured Schools of California II and III (SISC II and SISC III), and the Santa Barbara County Schools Self-Insurance Program for Employees (SIPE) public entity risk pools joint powers authority (JPA). The County pays an annual premium to each entity for its property and liability, health benefits, and workers' compensation coverage, respectively. The relationships between the District, the pools and the JPA are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the County are included in these statements. Audited financial statements are available from the respective entities.

Each JPA is governed by a board consisting of a representative from each member district. The Boards control the operations of each JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in each JPA.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received State and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Litigation

According to the District's staff attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

Construction Commitments

As of June 30, 2024, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Brandon Roof & HVAC	\$ 694,509
DO Pavement	761,450
DO Solar	1,864
El Camino Playground	825,051
El Camino Roof & HVAC	65,600
Ellwood Pavement	82,307
Ellwood Solar	1,864
Foothill Pavement	72,803
Foothill Roof & HVAC	56,518
Hollister Solar	578
IV Pavement	1,864
IV Roof & HVAC	938,211
Kellog Pavement	498
Kellog Roof	81,924
La Patera Pavement	5,811
Mt View Solar	1,864
Rancho Pavement	31,506
Total	<u>\$ 3,624,222</u>

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REQUIRED SUPPLEMENTARY INFORMATION

GOLETA UNION SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 2,278,858	\$ 2,278,858	\$ 2,278,858	\$ -
Education Protection Account Funds	663,246	663,246	663,386	140
Local Sources	53,499,127	53,538,631	53,713,068	174,437
Federal Revenue	1,442,366	1,706,994	2,072,636	365,642
Other State Revenue	8,660,277	9,607,563	9,963,628	356,065
Other Local Revenue	5,160,115	5,828,762	6,768,413	939,651
Total Revenues	<u>71,703,989</u>	<u>73,624,054</u>	<u>75,459,989</u>	<u>1,835,935</u>
Expenditures:				
Current:				
Certificated Salaries	27,599,229	28,299,461	28,299,452	9
Classified Salaries	19,409,751	19,369,831	19,297,974	71,857
Employee Benefits	18,088,247	17,857,091	17,807,006	50,085
Books And Supplies	2,541,427	3,518,616	2,443,795	1,074,821
Services And Other Operating Expenditures	5,052,994	6,824,637	5,561,464	1,263,173
Other Outgo	4,299	109,929	61,304	48,625
Direct Support/Indirect Costs	-	87,865	(161,061)	248,926
Capital Outlay	448,612	1,384,315	1,383,934	381
Debt Service:				
Principal	49,500	75,500	101,717	(26,217)
Interest	8,300	12,300	9,399	2,901
Total Expenditures	<u>73,202,359</u>	<u>77,539,545</u>	<u>74,804,984</u>	<u>2,734,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,498,370)</u>	<u>(3,915,491)</u>	<u>655,005</u>	<u>4,570,496</u>
Other Financing Sources (Uses):				
Transfers Out	-	(120,695)	(150,000)	(29,305)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(120,695)</u>	<u>(150,000)</u>	<u>(29,305)</u>
Net Change in Fund Balance	<u>(1,498,370)</u>	<u>(4,036,186)</u>	<u>505,005</u>	<u>4,541,191</u>
Fund Balance, July 1	12,243,109	12,243,109	12,243,109	-
Fund Balance, June 30	<u>\$ 10,744,739</u>	<u>\$ 8,206,923</u>	<u>\$ 12,748,114</u>	<u>\$ 4,541,191</u>

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years
As of June 30, 2024

The following table provides required supplementary information regarding the District's CALPERS Pension Plan.

	2024	2023	2022	2021	2020
Proportion of the net pension liability	.1063 %	.0944 %	.0821 %	.0777 %	.0768 %
Proportionate share of the net pension liability	\$ 38,473,569	\$ 32,482,706	\$ 16,684,699	\$ 23,845,168	\$ 22,392,239
Covered payroll	\$ 18,444,363	\$ 14,536,945	\$ 11,779,406	\$ 11,226,784	\$ 10,550,055
Proportionate share of the net pension liability as percentage of covered payroll	208.59 %	223.45 %	141.64 %	212.40 %	212.25 %
Plan's total pension liability	\$ 120,513,549,175	\$ 113,794,594,060	\$ 106,857,487,903	\$ 102,289,672,089	\$ 97,300,991,939
Plan's fiduciary net position	\$ 84,314,661,436	\$ 79,385,508,859	\$ 86,523,055,855	\$ 71,806,596,106	\$ 68,156,740,617
Plan fiduciary net position as a percentage of the total pension liability	69.96 %	69.76 %	80.97 %	70.00 %	70.05 %
	2019	2018	2017	2016	2015
Proportion of the net pension liability	.0746 %	.0703 %	.0716 %	.0774 %	.0774 %
Proportionate share of the net pension liability	\$ 19,895,351	\$ 16,776,727	\$ 14,141,619	\$ 11,403,925	\$ 8,793,441
Covered payroll	\$ 9,847,724	\$ 8,961,362	\$ 8,579,345	\$ 8,607,969	\$ 8,080,065
Proportionate share of the net pension liability as percentage of covered payroll	202.03 %	187.21 %	164.83 %	132.48 %	108.83 %
Plan's total pension liability	\$ 91,459,283,785	\$ 84,871,025,628	\$ 75,663,026,434	\$ 71,651,184,353	\$ 68,292,799,349
Plan's fiduciary net position	\$ 64,796,135,561	\$ 60,998,386,333	\$ 55,912,964,588	\$ 56,911,065,643	\$ 56,940,364,500
Plan fiduciary net position as a percentage of the total pension liability	70.85 %	71.87 %	73.90 %	79.43 %	83.38 %

Notes to Schedule

There were no changes in assumptions for the fiscal year ended June 30, 2024.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years
As of June 30, 2024

The following table provides required supplementary information regarding the District's CALSTRS Pension Plan.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	.0499 %	.0489 %	.0480 %	.0466 %	.0451 %
Proportionate share of the net pension liability	\$ 38,019,914	\$ 33,967,860	\$ 21,863,066	\$ 45,121,328	\$ 40,745,052
State's proportionate share of net pension liability associated with the District	18,098,574	19,383,643	11,000,847	23,260,050	22,229,146
Total	<u>\$ 56,118,488</u>	<u>\$ 53,351,503</u>	<u>\$ 32,863,713</u>	<u>\$ 68,381,378</u>	<u>\$ 62,974,198</u>
Covered payroll	\$ 29,387,497	\$ 29,184,013	\$ 25,946,520	\$ 25,280,374	\$ 24,029,177
Proportionate share of the net pension liability as percentage of covered payroll	129.37 %	116.39 %	84.26 %	178.48 %	169.56 %
Plan's total pension liability	\$ 393,082,157,000	\$ 369,543,996,000	\$ 355,802,665,000	\$ 343,894,793,000	\$ 329,179,470,000
Plan's fiduciary net position	\$ 316,918,509,995	\$ 300,056,284,995	\$ 310,293,452,995	\$ 246,983,743,955	\$ 238,861,887,995
Plan fiduciary net position as a percentage of the total pension liability	80.62 %	81.20 %	87.21 %	71.82 %	72.56 %
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	.0428 %	.0433 %	.0450 %	.0480 %	.0450 %
Proportionate share of the net pension liability	\$ 39,362,648	\$ 40,035,990	\$ 36,394,148	\$ 32,285,352	\$ 25,671,298
State's proportionate share of net pension liability associated with the District	22,536,957	23,684,954	20,718,539	17,075,415	14,119,214
Total	<u>\$ 61,899,605</u>	<u>\$ 63,720,944</u>	<u>\$ 57,112,687</u>	<u>\$ 49,360,767</u>	<u>\$ 39,790,512</u>
Covered payroll	\$ 23,293,472	\$ 22,915,334	\$ 22,501,920	\$ 21,723,547	\$ 19,972,752
Proportionate share of the net pension liability as percentage of covered payroll	168.99 %	174.71 %	161.74 %	148.62 %	128.53 %
Plan's total pension liability	\$ 316,777,450,000	\$ 302,770,146,000	\$ 269,994,690,000	\$ 259,148,248,000	\$ 248,910,844,000
Plan's fiduciary net position	\$ 224,868,634,995	\$ 210,289,899,995	\$ 189,113,486,995	\$ 191,822,335,995	\$ 190,474,016,000
Plan fiduciary net position as a percentage of the total pension liability	70.99 %	69.46 %	70.04 %	74.02 %	76.52 %

*- Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

Notes to Schedule

There were no changes in assumptions for the fiscal year ended June 30, 2024.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years
As of June 30, 2024

The following table provides required supplementary information regarding the District's CALPERS Pension Plan.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution (actuarially determined)	\$ 4,914,860	\$ 4,679,335	\$ 3,330,414	\$ 2,438,337	\$ 2,214,034
Contribution in relation to the actuarially determined contributions	<u>(4,914,860)</u>	<u>(4,679,335)</u>	<u>(3,330,414)</u>	<u>(2,438,337)</u>	<u>(2,214,034)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,421,514	\$ 18,444,363	\$ 14,536,945	\$ 11,779,406	\$ 11,226,784
Contributions as a percentage of covered payroll	26.680 %	25.370 %	22.910 %	20.700 %	19.721 %
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 1,905,551	\$ 1,529,450	\$ 1,244,554	\$ 1,016,395	\$ 1,013,244
Contribution in relation to the actuarially determined contributions	<u>(1,905,551)</u>	<u>(1,529,450)</u>	<u>(1,244,554)</u>	<u>(1,016,395)</u>	<u>(1,013,244)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,550,055	\$ 9,847,724	\$ 8,961,362	\$ 8,579,345	\$ 8,607,969
Contributions as a percentage of covered payroll	18.062 %	15.531 %	13.888 %	11.847 %	11.771 %

Notes to Schedule

For the fiscal year ended June 30, 2024, the discount rate was reduced from 7.00% to 6.80% and the price inflation assumption from 2.50% to 2.30%.

GOLETA UNION SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 Years

As of June 30, 2024

The following table provides required supplementary information regarding the District's CALSTRS Pension Plan.

	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 5,426,866	\$ 5,613,012	\$ 4,937,935	\$ 4,190,363	\$ 4,322,944
Contribution in relation to the actuarially determined contributions	(5,426,866)	(5,613,012)	(4,937,935)	(4,190,363)	(4,322,944)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 28,412,911	\$ 29,387,497	\$ 29,184,013	\$ 25,946,520	\$ 25,280,374
Contributions as a percentage of covered-employee payroll	19.10 %	19.10 %	16.92 %	16.15 %	17.10 %
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 3,911,950	\$ 3,361,248	\$ 2,882,749	\$ 2,414,456	\$ 1,929,051
Contribution in relation to the actuarially determined contributions	(3,911,950)	(3,361,248)	(2,882,749)	(2,414,456)	(1,929,051)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,029,177	\$ 23,293,472	\$ 22,915,334	\$ 22,501,920	\$ 21,723,547
Contributions as a percentage of covered-employee payroll	16.28 %	14.43 %	12.58 %	10.73 %	8.88 %

Notes to Schedule

There were no changes in assumptions for the fiscal year ended June 30, 2024.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2024

The following table provides required supplementary information regarding the District's OPEB Plan:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the collective liability	.0766 %	.0736 %	.0722 %	.0811 %
District's proportionate share of the collective net OPEB liability	\$ 232,383	\$ 242,447	\$ 288,041	\$ 297,199
District's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	-.9552 %	-.9395 %	-.8021 %	-.7137 %
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
District's proportion of the collective liability	.0798 %	.0769 %	.0784 %	
District's proportionate share of the collective net OPEB liability	\$ 297,199	\$ 294,247	\$ 329,734	
District's covered payroll	N/A ¹	N/A ¹	N/A ¹	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A ¹	N/A ¹	N/A ¹	
Plan fiduciary net position as a percentage of the total OPEB liability	-.8039 %	-.4045 %	.0097 %	

¹ - As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*- Fiscal year 2018 was the 1st year of implementation, therefore only seven years are shown.

SUPPLEMENTARY INFORMATION SECTION

GOLETA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS:			
Cash in County Treasury	\$ 4,655,500	\$ 192,415	\$ 4,847,915
Cash on Hand and in Banks	780	-	780
Cash in Revolving Fund	3,994	-	3,994
Accounts Receivable	608,186	760	608,946
Due from Other Funds	159,696	-	159,696
Stores Inventories	48,396	-	48,396
Total Assets	<u>\$ 5,476,552</u>	<u>\$ 193,175</u>	<u>\$ 5,669,727</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 83,071	\$ 2,500	\$ 85,571
Due to Other Funds	240,875	-	240,875
Unearned Revenue	10,592	-	10,592
Total Liabilities	<u>334,538</u>	<u>2,500</u>	<u>337,038</u>
Fund Balances:			
Nonspendable	52,390	-	52,390
Restricted	4,859,257	190,675	5,049,932
Assigned	230,367	-	230,367
Total Fund Balances	<u>5,142,014</u>	<u>190,675</u>	<u>5,332,689</u>
Total Liabilities and Fund Balances	<u>\$ 5,476,552</u>	<u>\$ 193,175</u>	<u>\$ 5,669,727</u>

GOLETA UNION SCHOOL DISTRICT**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES****NONMAJOR GOVERNMENTAL FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

		Capital Projects Fund	
	Special Revenue Funds	Capital Facilities Fund	Total Nonmajor Governmental Funds
Revenues:			
Federal Revenue	\$ 1,429,098	\$ -	\$ 1,429,098
Other State Revenue	2,980,806	-	2,980,806
Other Local Revenue	444,600	370,235	814,835
Total Revenues	<u>4,854,504</u>	<u>370,235</u>	<u>5,224,739</u>
Expenditures:			
Current:			
Instruction - Related Services	134,089	-	134,089
Pupil Services	2,560,584	-	2,560,584
Ancillary Services	197,269	-	197,269
Community Services	580,435	-	580,435
General Administration	161,061	-	161,061
Plant Services	340,564	79,575	420,139
Capital Outlay	147,780	301,704	449,484
Total Expenditures	<u>4,121,782</u>	<u>381,279</u>	<u>4,503,061</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>732,722</u>	<u>(11,044)</u>	<u>721,678</u>
Other Financing Sources (Uses):			
Transfers In	150,000	-	150,000
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net Change in Fund Balances	882,722	(11,044)	871,678
Fund Balances, July 1	4,259,292	201,719	4,461,011
Fund Balances, June 30	<u>\$ 5,142,014</u>	<u>\$ 190,675</u>	<u>\$ 5,332,689</u>

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GOLETA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Associated Student Body Fund	Child Development Fund
ASSETS:		
Cash in County Treasury	\$ 394,529	\$ 418,826
Cash on Hand and in Banks	780	-
Cash in Revolving Fund	-	-
Accounts Receivable	3,087	3,365
Due from Other Funds	5,472	-
Stores Inventories	-	-
Total Assets	<u>\$ 403,868</u>	<u>\$ 422,191</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 20,942	\$ 4,119
Due to Other Funds	60	136,455
Unearned Revenue	-	10,592
Total Liabilities	<u>21,002</u>	<u>151,166</u>
Fund Balances:		
Nonspendable	-	-
Restricted	382,866	271,025
Assigned	-	-
Total Fund Balances	<u>382,866</u>	<u>271,025</u>
Total Liabilities and Fund Balances	<u>\$ 403,868</u>	<u>\$ 422,191</u>

Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds
\$ 3,747,778	\$ 94,367	\$ 4,655,500
-	-	780
3,994	-	3,994
600,311	1,423	608,186
4,224	150,000	159,696
48,396	-	48,396
<u>\$ 4,404,703</u>	<u>\$ 245,790</u>	<u>\$ 5,476,552</u>
\$ 42,587	\$ 15,423	\$ 83,071
104,360	-	240,875
-	-	10,592
<u>146,947</u>	<u>15,423</u>	<u>334,538</u>
52,390	-	52,390
4,205,366	-	4,859,257
-	230,367	230,367
<u>4,257,756</u>	<u>230,367</u>	<u>5,142,014</u>
<u>\$ 4,404,703</u>	<u>\$ 245,790</u>	<u>\$ 5,476,552</u>

GOLETA UNION SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Associated Student Body Fund	Child Development Fund
Revenues:		
Federal Revenue	\$ -	\$ -
Other State Revenue	-	1,009,258
Other Local Revenue	223,920	37,933
Total Revenues	<u>223,920</u>	<u>1,047,191</u>
Expenditures:		
Current:		
Instruction - Related Services	-	134,089
Pupil Services	-	-
Ancillary Services	197,269	-
Community Services	-	580,435
General Administration	-	61,642
Plant Services	-	-
Capital Outlay	-	-
Total Expenditures	<u>197,269</u>	<u>776,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,651</u>	<u>271,025</u>
Other Financing Sources (Uses):		
Transfers In	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	26,651	271,025
Fund Balances, July 1	356,215	-
Fund Balances, June 30	<u>\$ 382,866</u>	<u>\$ 271,025</u>

Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds
\$ 1,429,098	\$ -	\$ 1,429,098
1,971,548	-	2,980,806
162,368	20,379	444,600
<u>3,563,014</u>	<u>20,379</u>	<u>4,854,504</u>
-	-	134,089
2,560,584	-	2,560,584
-	-	197,269
-	-	580,435
99,419	-	161,061
26,514	314,050	340,564
123,333	24,447	147,780
<u>2,809,850</u>	<u>338,497</u>	<u>4,121,782</u>
<u>753,164</u>	<u>(318,118)</u>	<u>732,722</u>
-	150,000	150,000
-	150,000	150,000
753,164	(168,118)	882,722
3,504,592	398,485	4,259,292
<u>\$ 4,257,756</u>	<u>\$ 230,367</u>	<u>\$ 5,142,014</u>

GOLETA UNION SCHOOL DISTRICT
ASSOCIATED STUDENT BODY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 169,995	\$ 223,920	\$ 53,925
Total Revenues	<u>169,995</u>	<u>223,920</u>	<u>53,925</u>
Expenditures:			
Current:			
Books And Supplies	51,690	39,954	11,736
Services And Other Operating Expenditures	<u>234,005</u>	<u>157,315</u>	<u>76,690</u>
Total Expenditures	<u>285,695</u>	<u>197,269</u>	<u>88,426</u>
Net Change in Fund Balance	(115,700)	26,651	142,351
Fund Balance, July 1	356,215	356,215	-
Fund Balance, June 30	<u>\$ 240,515</u>	<u>\$ 382,866</u>	<u>\$ 142,351</u>

GOLETA UNION SCHOOL DISTRICT
CHILD DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other State Revenue	\$ 773,158	\$ 1,009,258	\$ 236,100
Other Local Revenue	26,006	37,933	11,927
Total Revenues	<u>799,164</u>	<u>1,047,191</u>	<u>248,027</u>
Expenditures:			
Current:			
Certificated Salaries	269,933	227,525	42,408
Classified Salaries	220,759	194,658	26,101
Employee Benefits	199,207	179,885	19,322
Books And Supplies	39,548	23,766	15,782
Services And Other Operating Expenditures	88,736	88,690	46
Direct Support/Indirect Costs	62,481	61,642	839
Total Expenditures	<u>880,664</u>	<u>776,166</u>	<u>104,498</u>
Net Change in Fund Balance	(81,500)	271,025	352,525
Fund Balance, July 1	-	-	-
Fund Balance, June 30	<u>\$ (81,500)</u>	<u>\$ 271,025</u>	<u>\$ 352,525</u>

GOLETA UNION SCHOOL DISTRICT
CAFETERIA FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Federal Revenue	\$ 1,283,863	\$ 1,429,098	\$ 145,235
Other State Revenue	1,750,000	1,971,548	221,548
Other Local Revenue	86,000	162,368	76,368
Total Revenues	<u>3,119,863</u>	<u>3,563,014</u>	<u>443,151</u>
Expenditures:			
Current:			
Classified Salaries	1,118,063	1,117,431	632
Employee Benefits	413,225	412,335	890
Books And Supplies	1,103,023	985,005	118,018
Services And Other Operating Expenditures	99,250	72,327	26,923
Direct Support/Indirect Costs	201,327	99,419	101,908
Capital Outlay	303,500	123,333	180,167
Total Expenditures	<u>3,238,388</u>	<u>2,809,850</u>	<u>428,538</u>
Net Change in Fund Balance	(118,525)	753,164	871,689
Fund Balance, July 1	3,504,592	3,504,592	-
Fund Balance, June 30	<u>\$ 3,386,067</u>	<u>\$ 4,257,756</u>	<u>\$ 871,689</u>

GOLETA UNION SCHOOL DISTRICT
DEFERRED MAINTENANCE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 4,307	\$ 20,379	\$ 16,072
Total Revenues	<u>4,307</u>	<u>20,379</u>	<u>16,072</u>
Expenditures:			
Current:			
Services And Other Operating Expenditures	340,000	314,050	25,950
Capital Outlay	<u>25,000</u>	<u>24,447</u>	<u>553</u>
Total Expenditures	<u>365,000</u>	<u>338,497</u>	<u>26,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(360,693)</u>	<u>(318,118)</u>	<u>42,575</u>
Other Financing Sources (Uses):			
Transfers In	-	150,000	150,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net Change in Fund Balance	(360,693)	(168,118)	192,575
Fund Balance, July 1	398,485	398,485	-
Fund Balance, June 30	<u>\$ 37,792</u>	<u>\$ 230,367</u>	<u>\$ 192,575</u>

GOLETA UNION SCHOOL DISTRICT
CAPITAL FACILITIES FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 80,000	\$ 370,235	\$ 290,235
Total Revenues	<u>80,000</u>	<u>370,235</u>	<u>290,235</u>
Expenditures:			
Current:			
Classified Salaries	2,500	2,013	487
Employee Benefits	893	57	836
Services And Other Operating Expenditures	96,000	77,505	18,495
Capital Outlay	303,020	301,704	1,316
Total Expenditures	<u>402,413</u>	<u>381,279</u>	<u>21,134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(322,413)</u>	<u>(11,044)</u>	<u>311,369</u>
Other Financing Sources (Uses):			
Transfers In	120,694	-	(120,694)
Total Other Financing Sources (Uses)	<u>120,694</u>	<u>-</u>	<u>(120,694)</u>
Net Change in Fund Balance	(201,719)	(11,044)	190,675
Fund Balance, July 1	201,719	201,719	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 190,675</u>	<u>\$ 190,675</u>

GOLETA UNION SCHOOL DISTRICT
ORGANIZATION
JUNE 30, 2024

The Goleta Union School District was established in 1925. The District operates nine elementary schools. There were no boundary changes during the year.

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dr. Vicki Ben-Yaacov	President	2028
Sholeh Jahangir	Vice President	2028
Ethan Bertrand	Member	2026
Emily Zacarias	Member	2026
Dr. Richard Mayer	Member	2026

DISTRICT ADMINISTRATION

Dr. Mary Kahn
Superintendent

Dr. Letitia Bradley
Assistant Superintendent, Instructional Services

Amanda Martinez
Assistant Superintendent, Pupil Services

David Simmons
Assistant Superintendent, Human Resources

Conrad Tedeschi, CPA
Assistant Superintendent, Fiscal Services

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Second Period Report</u>	<u>Annual Report</u>
Elementary:		
Kindergarten through third	1,892.09	1,892.27
Kindergarten through third - extended year- special ed	2.65	2.65
Grades four through six	1,335.37	1,335.60
Grades four through six - extended year- special ed	<u>1.36</u>	<u>1.36</u>
ADA totals	<u>3,231.47</u>	<u>3,231.88</u>

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

There were no audit findings which resulted in necessary revisions to attendance.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Grade Level	Ed. Code 46207 Minutes Requirement	2023-24 Actual Minutes	J-13 Credited Minutes	Total 2023-24 Minutes	Actual Number of days Traditional Calendar	J-13 Credited Days	Total Days	Status
Kindergarten	36,000	44,210	250	44,460	179	1	180	In compliance
Grade 1	50,400	54,415	320	54,735	179	1	180	In compliance
Grade 2	50,400	54,415	320	54,735	179	1	180	In compliance
Grade 3	50,400	54,415	320	54,735	179	1	180	In compliance
Grade 4	54,000	55,755	330	56,085	179	1	180	In compliance
Grade 5	54,000	55,755	330	56,085	179	1	180	In compliance
Grade 6	54,000	55,755	330	56,085	179	1	180	In compliance

Districts must maintain their instructional minutes as defined in Education Code Section 46207.

The District has received incentive funding for increasing instructional time as provided by the Incentive for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District met or exceed its targeted funding.

The District received an approval of their J-13A for 1 instructional day and the above J-13 credited minutes.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>General Fund</u>	<u>2025 (budget)</u> <u>(note 2)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues and other financial sources	\$ 74,822,162	\$ 75,459,991	\$ 74,296,160	\$ 70,496,231
Expenditures	76,378,524	74,804,986	75,876,403	70,901,911
Other uses and transfers	125,000	150,000	554,682	350,000
Total outgo	76,503,524	74,954,986	76,431,085	71,251,911
Change in fund balance	(1,681,362)	505,005	(2,134,925)	(755,680)
Ending fund balance	\$ 11,066,752	\$ 12,748,114	\$ 12,243,109	\$ 14,378,034
Available reserves (note 1)	\$ 9,727,957	\$ 10,323,492	\$ 8,695,550	\$ 11,881,315
Reserve for economic uncertainties	\$ -	\$ -	\$ 2,292,933	\$ -
Undesignated/unassigned fund balance	\$ 9,727,957	\$ 10,323,492	\$ 6,402,617	\$ 11,881,315
Available reserves as a percentage of total outgo	12.72%	13.77%	11.38%	16.68%
Total long-term liabilities	\$ 113,172,894	\$ 116,946,682	\$ 111,243,578	\$ 55,442,618
Average daily attendance at P-2	3,256	3,231	3,196	3,172

This schedule discloses the District's financial trends by displaying past fiscal years' data along with current fiscal year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

The General Fund balance has decreased by \$1,629,920 over the past two fiscal years. The fiscal year 2024-25 budget projects an decrease of \$1,681,362 in fund balance. For a District this size, the State recommends available reserve of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in two of the past three fiscal years and anticipates an operating deficit in the 2024-25 fiscal year. Total long-term liabilities has increased by \$61,504,064 over the past two fiscal years.

Average daily attendance has increased by 59 over the past two fiscal years. ADA is anticipated to increase by 25 during the fiscal year 2024-25.

Notes:

- 1) Available reserves consist of all unassigned fund balances and reserved for economic uncertainties contained within the General Fund.
- 2) Budget 2025 is included for analytical purposes only and has not been subjected to audit.

GOLETA UNION SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listings Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed through the California			
Department of Education:			
Title I	84.010	14329	\$ 467,756
ESSER III Summer Learning Program	84.425	15652	474,708
Special Education *	84.027	13379	819,240
Special Education - Private Schools ISP *	84.027	10115	19,524
Special Education - Private Schools *	84.173	10115	42,626
Total Special Education Cluster			881,390
Improving Teacher Quality	84.367	14341	111,170
Title III Immigrant Student Program	84.365	15146	14,874
Title III	84.365	14346	83,020
			97,894
Title IV	84.424	15396	29,942
Total U.S. Department of Education			2,062,860
U.S. Department of Agriculture:			
Pass through the County of Santa Barbara			
Forest Reserve	10.665	10044	9,776
Passed through the California			
Department of Education:			
National School Lunch *	10.555	13391	1,010,433
National School Breakfast *	10.553	13526	365,924
Summer Food Service Program Operations*	10.559	13004	26,227
Total Child Nutrition Cluster			1,402,584
Equipment Assistance	10.579	14906	26,514
Total U.S. Department of Agriculture			1,438,874
Total expenditures of federal awards			\$ 3,501,734

* - Denotes major programs

The accompanying note is an integral part of this schedule.

GOLETA UNION SCHOOL DISTRICT

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Goleta Union School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles for Federal Awards (Uniform Guidance)*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District has not elected to use the ten percent de minimus cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

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GOLETA UNION SCHOOL DISTRICT**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Capital Facilities Fund</u>
June 30, 2024, annual financial and budget report fund balances/net position	<u>\$ 12,748,114</u>	<u>\$ 19,726,495</u>	<u>\$ 190,675</u>
June 30, 2024, audited financial statements fund balances/net position	<u><u>\$ 12,748,114</u></u>	<u><u>\$ 19,726,495</u></u>	<u><u>\$ 190,675</u></u>
		<u>Long-Term Liabilities</u>	
June 30, 2024, annual financial and budget report long-term liabilities		\$ 40,402,245	
Overstatement of bonds payable		(2,400,000)	
Understatement of bonds premium		2,240,871	
Understatement of compensated absences payable		435	
Overstatement of lease payable		(22,735)	
Understatement of net pension liability		76,493,483	
Understatement of net OPEB liability		<u>232,383</u>	
June 30, 2024, audited financial statements long-term liabilities		<u><u>\$ 116,946,682</u></u>	

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance as reported on the audited financial statements.

<u>Bond Interest & Redemption Fund</u>	<u>Child Development Fund</u>	<u>Cafeteria Fund</u>	<u>Deferred Maintenance Fund</u>	<u>ASB Fund</u>	<u>Internal Service Fund</u>
<u>\$ 5,942,523</u>	<u>\$ 271,025</u>	<u>\$ 4,257,756</u>	<u>\$ 230,367</u>	<u>\$ 382,866</u>	<u>\$ 64,529</u>
<u><u>\$ 5,942,523</u></u>	<u><u>\$ 271,025</u></u>	<u><u>\$ 4,257,756</u></u>	<u><u>\$ 230,367</u></u>	<u><u>\$ 382,866</u></u>	<u><u>\$ 64,529</u></u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Goleta Union School District
Goleta, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Goleta Union School District (the District), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim LLP

Santa Maria, California
December 13, 2024

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Goleta Union School District
Goleta, California

Report on State Compliance

Opinion

We have audited the Goleta Union School District's (the District) compliance with the types of compliance requirements described in the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, Section 19810 that could have a direct and material effect on each of Goleta Union School District's state programs identified below for the fiscal year ended June 30, 2024.

In our opinion, the Goleta Union School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule below for the fiscal year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, Section 19810. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Goleta Union School District's internal control. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>Compliance Requirements</u>	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance accounting:	
Attendance reporting	Yes
Teacher certification and misassignments	Yes
Kindergarten continuance	Yes
Independent study	Not applicable
Continuation education	Not applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship, Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study- Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes

<u>Compliance Requirements</u>	<u>Procedures Performed</u>
CHARTER SCHOOLS:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instruction Minutes – Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of California K-12 Local Educational Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Moss, Remy & Haugheim LLP

Santa Maria, California
December 13, 2024

The term "not applicable" is used above to mean either Goleta Union School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Goleta Union School District
Goleta, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Goleta Union School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Goleta Union School District's major federal programs for the fiscal year ended June 30, 2024. Goleta Union School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Goleta Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Goleta Union School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Goleta Union School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Goleta Union School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Goleta Union School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Goleta Union School District's compliance with the requirements of each major federal program as a whole

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Goleta Union School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Goleta Union School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Goleta Union School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss, Ling & Hartgrain LLP

Santa Maria, California
December 13, 2024

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FINDINGS AND RECOMMENDATIONS SECTION

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the Uniform Guidance,
Section 200.516 paragraph (a)

_____ Yes X No

Identification of major programs

ALN Number (s)

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

84.027, 84.173

Special Education Cluster

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

 X Yes _____ No

State Awards

Any audit findings disclosed that are required to be
reported in accordance with Standards and Procedures
for Audits of California K-12 Local Education Agencies?

_____ Yes X No

Type of auditors' report issued on compliance
for state programs:

Unmodified

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section II – Financial Findings and Questioned Costs

There were no financial findings and questioned costs.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings and questioned costs.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section IV – State Award Findings and Questioned Costs

There were no state award findings and questioned costs.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section I – Financial Findings and Questioned Costs

FINDING 2023-1
CLEARING ACCOUNT
30000

Criteria:

The clearing account should not have a significant balance on June 30th, the fiscal year end.

Condition:

Examined the clearing account on June 30th and noted \$40,229.68 remained.

Effect:

The clearing account acts as a holding account before it is recorded at the county and general ledger. It should be cleared before the end of the year to properly record all revenue.

Cause:

District oversight

Recommendation:

The District should implement controls and policies to ensure the clearing account is properly cleared on a timely basis by fiscal year end.

District's Corrective Action Plan:

Timing of receiving bank statements and reconciling outside bank accounts is always after the deadline to deposit cash to the prior period has passed and the period is closed at the County Treasury. The District Fiscal Staff will begin to check balances online in all outside bank accounts as the June 30 year end approaches and clear cash out and deposit into the County Treasury. Any balances that remain after the deadline for June 30 cash deposits in the County Treasury will be accounted for as Cash in Bank and properly accrued per Generally Accepted Accounting Principles.

Current Status:

Implemented

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section II – Federal Award Findings and Questioned Costs

There were no prior fiscal year federal award findings and questioned costs.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Section III – State Award Findings and Questioned Costs

There were no prior fiscal year state award findings and questioned costs.