PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2024

NEW ISSUE – BOOK ENTRY ONLY

RATING: Moody's: "Aa2"
(See "RATING" herein.)

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolutions authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.

$44,300,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS,
2020 ELECTION, 2024 SERIES C

$6,000,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
2024 GENERAL OBLIGATION
REFUNDING BONDS

Dated: Date of Delivery **Due: August 1, as shown on inside cover.**

The Goleta Union School District (Santa Barbara County, California) General Obligation Bonds, 2020 Election, 2024 Series C (the "Series C Bonds") are being issued by the Goleta Union School District (the "District") to finance the acquisition, construction, furnishing and equipping of District facilities, and to pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF FINANCE – The Projects." The Series C Bonds were authorized at an election within the District held on November 3, 2020 (the "Election") at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of $80,000,000 aggregate principal amount of general obligation bonds of the District (the "2020 Authorization"). The Series C Bonds are intended to be the third and final series of general obligation bonds issued under the 2020 Authorization.

The Goleta Union School District 2024 General Obligation Refunding Bonds (the "Refunding Bonds") are being issued by the District to (i) refund certain outstanding general obligation bonds of the District described herein, and (ii) pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF FINANCE – The Refunding." The Series C Bonds and the Refunding Bonds (together, the "Bonds") are issued on a parity basis with each other and with all other outstanding general obligation bonds of the District.

The Bonds are general obligations of the District only and are not obligations of the County of Santa Barbara (the "County"), the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2025. See ''THE BONDS'' herein.

The Bonds will be issued in book-entry form only, in denominations of $5,000 or integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by U.S. Bank Trust Company, National Association as Paying Agent, to DTC for subsequent disbursement to DTC participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption" herein.

MATURITY SCHEDULE
On Inside Cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Dannis Woliver Kelley, San Diego, California, Bond Counsel, and certain other conditions. Dannis Woliver Kelley, San Diego, California, is acting as Disclosure Counsel for the District. Certain matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine California. It is anticipated that the Bonds will be available for delivery in definitive form in New York, New York, through the facilities of DTC on or about November 26, 2024.

OPPENHEIMER

The Date of this Official Statement is: _______________, 2024.

* Preliminary, subject to change.

MATURITY SCHEDULE

$44,300,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS,
2020 ELECTION, 2024 SERIES C

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[1] (381623)

* Preliminary, subject to change.

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

MATURITY SCHEDULE

$6,000,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
2024 GENERAL OBLIGATION REFUNDING BONDS

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[1] (381623)

* Preliminary, subject to change.
[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

GOLETA UNION SCHOOL DISTRICT
Santa Barbara County, State of California

Board of Trustees

District Administrators

Dr. Mary Kahn, *Superintendent*
Conrad Tedeschi, CPA, *Assistant Superintendent, Fiscal Services*
Dr. Letitia Bradley, *Assistant Superintendent, Instructional Services*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Dannis Woliver Kelley
San Diego, California

Municipal Advisor

Dale Scott & Co., Inc.
San Francisco, California

Paying Agent, Transfer Agent, Registration Agent and Escrow Agent

U.S. Bank Trust Company, National Association
Los Angeles, California

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

No dealer, broker, salesperson or other person has been authorized by the Goleta Union School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by the County of Santa Barbara, the County of Santa Barbara has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "SANTA BARBARA COUNTY POOLED INVESTMENT FUND."

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information."

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

[THIS PAGE INTENTIONALLY LEFT BLANK]

$44,300,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS,
2020 ELECTION, 2024 SERIES C

$6,000,000*
GOLETA UNION SCHOOL DISTRICT
(SANTA BARBARA COUNTY, CALIFORNIA)
2024 GENERAL OBLIGATION
REFUNDING BONDS

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

The Goleta Union School District (the "District") proposes to issue $44,300,000* aggregate principal amount of its General Obligation Bonds, 2020 Election, 2024 Series C (the "Series C Bonds") under and pursuant to a bond authorization (the "2020 Authorization") for the issuance and sale of not more than $80,000,000 of general obligation bonds approved by more than 55% of the requisite qualified voters of the District voting on the proposition at a general election held on November 3, 2020 (the "Election"). The Series C Bonds are intended to be the third and final series of bonds issued under the 2020 Authorization. Subsequent to the issuance of the Series C Bonds, no further general obligation bonds will remain for issuance pursuant to the 2020 Authorization.*

Proceeds from the sale of the Series C Bonds will be used to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith. See "THE BONDS – Purpose of Issue" and "PLAN OF FINANCE – The Projects" herein.

The District also proposes to issue $6,000,000* aggregate principal amount of its 2024 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series C Bonds, the "Bonds") in order to (i) refund all or a portion of the District's outstanding 2013 General Obligation Refunding Bonds (the "Refunded Bonds") and (ii) pay certain costs of issuance associated therewith. See "PLAN OF FINANCE – The Refunding" herein.

The Series C Bonds and the Refunding Bonds are issued on a parity basis with each other and all outstanding general obligation bonds of the District.

Registration

U.S. Bank Trust Company, National Association will act as the initial registrar, transfer agent and paying agent for the Bonds (the "Paying Agent"). As long as The Depository Trust Company, New York, New York ("DTC") is the registered owner of the Bonds and DTC's book entry-method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. See "THE BONDS – Description of the Bonds" herein.

* Preliminary, subject to change.

The District

The District was founded in the 1920s. The District is located in Goleta, California, and serves portions of the City of Goleta and certain unincorporated areas of Santa Barbara County (the "County"). The District serves an area of approximately 104 square miles. The District currently operates nine elementary schools, three State-funded preschool programs, and the Learning Tree Preschool, which enrolls special education students and general preschool students. The average daily attendance ("ADA") for the District budgeted for fiscal year 2024-25 is projected to be 3,262 students, and the District has a fiscal year 2024-25 assessed valuation of $18,518,047,354. The audited financial statements for the District for the fiscal year ended June 30, 2023 are attached hereto as APPENDIX B. For further information concerning the District, see "GOLETA UNION SCHOOL DISTRICT" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Bonds are not payable from the General Fund of the District. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal and interest on the Bonds when due. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the District in connection with the Bonds. See "THE BONDS – Continuing Disclosure Agreement," "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Professionals Involved in the Offering

Dannis Woliver Kelley, San Diego, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. U.S. Bank Trust Company, National Association, Los Angeles, California, is acting as paying agent for the Bonds. Dale Scott & Company, Inc., San Francisco, California, is acting as Municipal Advisor to the District in connection with the issuance of the Bonds. Kutak Rock LLP, Irvine, California, is acting as counsel to the Underwriter with respect to the Bonds. Dannis Woliver Kelley, Dale Scott & Company, Inc., Kutak Rock LLP and U.S. Bank Trust Company, National Association will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS

DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Closing Date

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about November 26, 2024.

THE BONDS

Authority for Issuance

The Bonds are general obligations of the District. The Series C Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the Government Code of the State (the "Government Code") (commencing with Section 53506), applicable provisions of the Education Code of the State (the "Education Code") and pursuant to a resolution of the Board of Trustees ("Board") of the District adopted on October 9, 2024 (the "Series C Resolution").

The Refunding Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 9 and 11 of the Government Code (commencing with Section 53550) and pursuant to a resolution of the Board adopted on October 9, 2024 (the "Refunding Resolution" and together with the Series C Resolution, the "Resolutions").

Purpose of Issue

The net proceeds of the Series C Bonds will be used to finance certain capital improvements for the District as specified in the District bond proposition submitted at the Election, which includes, among other things: upgrading Science, Technology, Engineering, Art, Math (STEAM) labs, increasing student internet access and classroom technology, improving handicap accessibility, increasing renewable energy including solar energy, and repairing and renovating classrooms and school facilities, including leaking roofs and plumbing. See "PLAN OF FINANCE - The Projects" herein.

The net proceeds of the Refunding Bonds will be applied to refund the Refunded Bonds. See "PLAN OF FINANCE – The Refunding" herein.

Description of the Bonds

The Bonds will be dated their date of delivery and will be issued only as fully registered bonds in denominations of $5,000 principal amount or integral multiples thereof. The Bonds will mature on the dates and in the amounts and bear interest at the rates per annum, all as set forth on the inside cover page of this Official Statement.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

Book-Entry Only System

The Bonds will be issued under a book-entry system, evidencing ownership of the Bonds in denominations of $5,000 principal amount or integral multiples thereof, with no physical distribution of Bonds made to the public. DTC will act as depository for the Bonds, which will be immobilized in their custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or by wire transfer of same day funds by U.S. Bank Trust Company, National Association, as Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM" herein.

Payment of the Bonds

Principal of the Bonds is payable annually on August 1 in each of the years as shown on the inside cover pages hereof or the earlier redemption of the Bonds. Interest on the Bonds is payable commencing February 1, 2025, and semiannually thereafter on February 1 and August 1 of each year (each, an "Interest Payment Date"). The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on each Bond shall accrue from its dated date at the interest rates applicable thereto as set forth on the inside cover page hereof. Interest shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date (the "Record Date"). Interest will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered prior to the close of business on January 15, 2025, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest will be made on each Interest Payment Date by check or draft sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Redemption*

Optional Redemption. The Series C Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their stated maturity dates. The Series C Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Mandatory Redemption. The Bonds maturing on August 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof as of the date set for such redemption, without premium. The principal amount to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
[1]	

[1] Maturity.

In the event that a portion of the Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall select Bonds for redemption in such order as the District may direct. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption

Notice of any redemption of the Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the Continuing Disclosure Agreement. Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be

* Preliminary, subject to change.

redeemed; (vi) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (vii) the CUSIP number, if any, of each Bond to be redeemed; (viii) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (viii) notice that further interest on such Bonds will not accrue after the designated redemption date; and (ix) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

Any notice of redemption for an optional redemption of the Bonds delivered in accordance with the Resolution may be conditional, and, if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date: (i) the notice of redemption shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional notice of redemption was given that such condition or conditions were not met and that the redemption was canceled.

Right to Rescind Notice of Redemption

The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and interest and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Effect of Notice of Redemption

Notice having been given as required in the Resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside for payment of the redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Transfer and Exchange

If the Bonds are no longer in book-entry-only form, any Bond may be exchanged for Bonds of like tenor, series, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Defeasance

If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways: (a) by well and truly paying or causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Interest and Sinking Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or (c) by depositing with an institution to act as escrow agent selected by the District and which meets the requirements of serving as Paying Agent pursuant to the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and described under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the District, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; then all obligations of the District and the Paying Agent under the Resolution with respect to such Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under the Resolution.

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds all or any part of the principal, interest and premium, if any, on the Bonds at the times and in the manner provided in the Resolution and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in the Resolution, and such obligation and all agreements and covenants of the District and of the County to such Owners under the Resolution and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment.

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the District will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in the form of APPENDIX D hereto, on or prior to the delivery of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain information as set forth therein. See "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds	Series C Bonds	Refunding Bonds	Total
Principal Amount of Bonds			
[Net] Original Issue Premium			
Total Sources			
Uses of Funds			
Deposit to Building Fund			
Deposit to Interest and Sinking Fund			
Deposit to Escrow Fund			
Costs of Issuance(1)			
Total Uses			

(1) Includes Underwriter's discount, Bond Counsel and Disclosure Counsel fees, Municipal Advisory fees, paying agent fees, escrow agent fees, rating agency fees, verification agent, and other costs of issuance.

PLAN OF FINANCE

The Projects

The District will apply the net proceeds of the Series C Bonds to finance the acquisition, construction, furnishing and equipping of District facilities in accordance with the bond proposition approved at the Election which includes the ballot measure and a project list. The "Smaller Classes, Safer Schools, and Financial Accountability Act," a Constitutional amendment known as Proposition 39, controls the method by which the District will expend Series C Bond proceeds on its capital improvements. Prior to the Election, the District prepared and submitted to the Board for approval a master list of capital improvement projects to be built, acquired, constructed or installed with the proceeds of the Series C Bonds, which was then submitted to the voters at the Election (the "Project List"). The District will prioritize and may not complete all components of the Project List.

[Remainder of page intentionally left blank.]

The Refunding

The District intends to apply the proceeds of the sale of the Refunding Bonds to (i) refund the Refunded Bonds and (ii) pay certain costs of issuance associated therewith.

The Refunded Bonds intended to be refunded by the Refunding Bonds are as follows:

Goleta Union School District
2013 General Obligation Refunding Bonds*

Maturity Date (August 1)	Principal Amount to be Refunded	Redemption Date*	Interest Rate	CUSIP[1] (381623)
2025	$1,415,000	February 20, 2025	5.000%	FX0
2026	1,485,000	February 20, 2025	5.000	FY8
2027	1,565,000	February 20, 2025	5.000	FZ5
2028	710,000	February 20, 2025	4.000	GA9
2029	335,000	February 20, 2025	4.000	GB7

Upon the issuance of the Refunding Bonds, the District will transfer the net proceeds of the Refunding Bonds to U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), for deposit into an escrow fund (the "Escrow Fund") established pursuant to that certain Escrow and Deposit Agreement by and between the District and the Escrow Agent (the "Escrow Agreement"), to be applied to the redemption of the Refunded Bonds on or about February 20, 2025*, at a redemption price of the par amount of the Refunded Bonds plus accrued interest.

The sufficiency of the amounts transferred to the Escrow Agent, together with investment earnings thereon, to effect the redemption of the Refunded Bonds will be verified by Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"). See the caption "ESCROW VERIFICATION" herein.

As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriter's and the Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the Refunded Bonds will also be defeased. Amounts deposited pursuant to the Escrow Agreement are not available to pay debt service on the Bonds.

[Remainder of page intentionally left blank.]

* Preliminary; subject to change.

[1] Copyright 2024, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of such CUSIP number.

District Investments; Application of Proceeds

The Santa Barbara County Treasurer - Tax Collector - Public Administrator (the "County Treasurer") manages, in accordance with Government Code Section 53600 *et seq.*, funds deposited with the County Treasurer by school districts and community college districts located in the County, various special districts, and some cities within the State of California. State law generally requires that all moneys of the County, school and community college districts and certain special districts located in the County be held in the County's pooled investment fund (the "Pooled Investment Fund").

The composition and value of investments under management in the Pooled Investment Fund vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally. For a further discussion of the Pooled Investment Fund, see the caption "SANTA BARBARA COUNTY POOLED INVESTMENT FUND" herein.

The net proceeds from the sale of the Series C Bonds (other than premium) shall be paid to the County to the credit of the Goleta Union School District Building Fund (the "Building Fund") established pursuant to the Series C Resolution and shall be disbursed for the payment of the costs of acquiring and constructing the Projects (as described below). Any premium or accrued interest received by the District from the sale of the Series C Bonds will be deposited in the Interest and Sinking Fund. Earnings on the investment of moneys in either the Building Fund or the Interest and Sinking Fund will be retained in the respective fund and used only for the purposes to which the respective fund may lawfully be applied. Moneys in the Interest and Sinking Fund may only be applied to make payments of principal of and interest, and premium, if any, on bonds of the District. All funds held in the Building Fund and the Interest and Sinking Fund will be invested by the Treasurer. See "SANTA BARBARA COUNTY POOLED INVESTMENT FUND" herein.

The net proceeds of the Refunding Bonds will be deposited to into the Escrow Fund established pursuant to the Escrow Agreement and invested in those certain non-callable direct obligations of the United States of America, the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America.

[Remainder of page intentionally left blank.]

DEBT SERVICE SCHEDULES

The following table summarizes the annual principal and interest payments on the Bonds, assuming no optional redemption.

DEBT SERVICE ON THE BONDS

	Series C Bonds		Refunding Bonds		
Bond Year Ending August 1	Principal	Interest	Principal	Interest	Total Debt Service
Total					

[Remainder of page intentionally left blank.]

The following table summarizes the annual debt service payments for all of the District's outstanding bonds, comprising the District's 2013 General Obligation Refunding Bonds (the "2013 Refunding Bonds"), the General Obligation Bonds, 2020 Election, 2022 Series B (the "Series B Bonds"), the Series C Bonds and the Refunding Bonds, assuming no optional redemption.

DEBT SERVICE ON ALL OUTSTANDING GENERAL OBLIGATION BONDS

Period Ending August 1	2013 Refunding Bonds[(1)]	Series B Bonds	Series C Bonds	Refunding Bonds	Total Debt Service
2025	$1,680,050.00	$2,104,718.76			
2026	1,679,300.00	2,167,218.76			
2027	1,685,050.00	1,509,718.76			
2028	751,800.00	1,562,968.76			
2029	348,400.00	1,617,968.76			
2030	--	1,674,468.76			
2031	--	1,732,218.76			
2032	--	1,795,968.76			
2033	--	1,855,218.76			
2034	--	1,919,968.76			
2035	--	1,989,718.76			
2036	--	2,058,968.76			
2037	--	2,132,468.76			
2038	--	2,206,268.76			
2039	--	2,285,268.76			
2040	--	2,364,068.76			
2041	--	2,445,543.76			
2042	--	2,531,037.50			
2043	--	2,617,837.50			
2044	--	2,712,625.00			
2045	--	2,807,912.50			
2046	--	2,902,175.00			
2047	--	3,004,887.50			
Total	$6,144,600.00	$49,999,218.92			

(1) Includes debt service on the Refunded Bonds.

[Remainder of page intentionally left blank]

SECURITY FOR THE BONDS

General

The Bonds are general obligations of the District, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. The District received authorization to issue $80,000,000 aggregate principal amount of general obligation bonds pursuant to an election of the qualified electors within the District on November 3, 2020. The Series C Bonds are intended to be the third and final series of general obligation bonds issued under the 2020 Authorization. Subsequent to the issuance of the Series C Bonds, no further general obligation bonds will remain for issuance under the 2020 Authorization.*

The District is authorized to issue refunding bonds to refund its outstanding general obligation bonds (including general obligation refunding bonds) or to purchase its outstanding general obligation bonds to be refunded under the Government Code (commencing with section 53550 thereof).

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds, as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated, for property tax purposes, as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The County Treasurer prepares and mails tax bills to taxpayers and collects the taxes. In addition, the County Treasurer, as *ex officio* treasurer of each school district located in the County, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due.

Restrictions on use of *Ad Valorem* Taxes and Statutory Lien on Debt Service

Under State of California (the "State") law, school districts may levy *ad valorem* taxes (in addition to their share of the 1% general property tax levy, which may be used to pay operating expenses) only to pay principal of and interest on general obligation bonds that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such general obligation bonds. Moreover, State law provides that the *ad valorem* taxes may be levied to pay the principal of and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* taxes levied to pay the Bonds to a purpose other than payment of the Bonds.

* Preliminary, subject to change.

Pursuant to Section 53515 of the State Government Code, effective for any bonds issued on or after January 1, 2016, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successors, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of Tax Revenues

Under the Resolutions, the District has pledged, as security for the Bonds and the interest thereon, the proceeds from the levy of the *ad valorem* tax which the County levies and receives and all interest earnings thereon (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable.

The Bonds are the general obligations of the District, payable solely from Pledged Moneys and do not constitute an obligation of the County. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon. Other than the Pledged Moneys, no funds or accounts of the District are pledged to payment of the Bonds.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

***Ad Valorem* Property Taxation**

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide, or less than city-wide, special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the fiscal year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent, if unpaid, on August 31 and are subject to a 10% delinquency penalty. Unsecured property taxes remaining unpaid on October 31 are also subject to an additional penalty of one and one half percent per month on the first day of each month thereafter. The additional penalties shall continue to attach until the time of payment or until the time a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first.

The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the respective County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES" herein.

The State Constitution currently requires a credit of $7,000 of the taxable value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies. Current law also provides, upon application, a basis exemption of $100,000 increased by inflation for veterans with specified disabilities or for unmarried spouses of deceased veterans. The exemption may be raised to $150,000 if the applicant meets the income limit of $40,000.

In addition, certain classes of property such as cemeteries, free public libraries and museums, public schools, churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemption.

[Remainder of page intentionally left blank]

The table below presents the historical assessed valuation in the District since fiscal year 2012-13. The District's total assessed valuation is $18,518,047,354 for fiscal year 2024-25.

GOLETA UNION SCHOOL DISTRICT
Summary of Assessed Valuations
Fiscal Years 2012-13 Through 2024-25

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2012-13	$ 9,115,507,613	$5,788,294	$683,415,124	$ 9,804,711,031	(0.20)%
2013-14	9,747,103,856	6,268,294	676,307,529	10,429,679,679	6.37
2014-15	10,427,883,625	7,858,294	642,303,539	11,078,045,458	6.22
2015-16	10,709,285,300	4,851,746	823,544,766	11,537,681,812	4.15
2016-17	11,204,781,050	8,318,294	745,014,942	11,958,114,286	3.64
2017-18	11,811,324,712	7,729,834	765,073,040	12,584,127,586	5.24
2018-19	12,680,592,330	2,809,834	797,640,707	13,481,042,871	7.13
2019-20	13,371,178,377	2,999,834	740,155,047	14,114,333,258	4.70
2020-21	14,105,583,172	4,079,834	796,777,902	14,906,440,908	5.61
2021-22	14,665,100,145	6,748,457	806,161,589	15,478,010,191	3.83
2022-23	15,680,815,909	9,486,637	938,654,897	16,628,957,443	7.44
2023-24	16,559,927,244	10,120,457	1,119,023,457	17,689,071,158	6.37
2024-25	17,478,169,411	10,670,547	1,029,207,486	18,518,047,354	4.69

Source*: California Municipal Statistics, Inc.*

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "SECURITY FOR THE BONDS."

Natural Disasters Impacting Assessed Valuations

Drought Conditions. Water shortfalls resulting from the driest conditions in recorded State history caused a State-wide drought State of Emergency for California in 2014 and the imposition by State regulators of reductions in water usage through 2017 when the State-wide drought ended in almost all California counties.

During fiscal years 2020-21, 2021-22, and 2022-23, much of the State experienced Severe or Extreme Drought, pursuant to the U.S. Drought Monitor Classification Scheme. Beginning in April, 2021, Governor Newsom signed several executive orders relating to the drought, including declaring states of emergency due to drought in the State. On January 4, 2022, State Water Board adopted emergency use regulations prohibiting certain wasteful water practices such as watering ornamental landscapes during rain and using potable water to clean hard surfaces and driveways. In June, 2022, additional emergency water conservation regulations took effect limiting watering of ornamental grasses in certain locations followed by additional water use regulations in December prohibiting wasteful water use practices.

On March 24, 2023, as a result of rain and snowfall in the State, Governor Newsom rolled back many of the water use restrictions in his previous drought-related executive orders but left in place certain measures aimed at wasteful water uses as well as preserving ground water supplies.

Currently, according to the U.S. Drought Monitor, almost all of the State is experiencing no drought with a small percentage of the State is experiencing abnormally dry conditions. The County is not currently experiencing drought conditions. The District cannot predict if or when water usage restrictions might be imposed again or what impact such restrictions, if imposed, might have on the assessed valuation of the District and the local economy.

Wildfires. Property damage due to wildfire could result in significant damage to, destruction of, and significant decreases in the assessed value of taxable property within the boundaries of the District, as well as in damage to or destruction of District facilities and property. In 2017, the Thomas Fire burned 281,893 acres in the County and Ventura County for 38 days. The District closed its schools five days early for winter break in 2017 due to impacts of the Thomas Fire. At the time, the Thomas Fire was the largest wildfire in recent California history. In 2019, the Cave Fire burned approximately 3,100 acres in the County, but no District facilities were impacted by the wildfire.

In recent years, certain portions of the State were affected by large wildfires which destroyed both natural lands and residential and commercial properties and resulted in large-scale property value reductions in the impacted areas. During the summers of 2020 and 2021, California experienced large-scale wildfires in several portions of the State. The District was not materially impacted by any recent California wildfires.

Earthquakes. All jurisdictions in California are subject to the effects of damaging earthquakes. Earthquakes are considered a threat to the District due to the highly active seismic region and the proximity of fault zones, which could influence much of the California coastline including the County. An earthquake along one of the faults in the vicinity, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake can easily exceed the resources of the District and other local public entities and would require a high level of self-help, coordination and cooperation.

Climate Change. Climate change caused by human activities may have adverse effects on the property within the boundaries of the District. Climate change can also result in more variable weather patterns throughout the State, which can lead to longer and more severe droughts and wildfires as well as increased risk of flooding and a rise in sea levels. Projections of the impacts of global climate change are complex and depend on many factors that are outside the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts.

The occurrence of natural disasters within the boundaries of the District could result in substantial damage to property within the District (including District properties) and, in turn, could substantially reduce assessed valuations of such property.

Change in Economic Conditions. The outbreak of COVID-19 and the corresponding measures to prevent its spread caused widespread unemployment and economic slowdown in the United States, the State and the County. Such economic slowdown created risk for economic recession or depression or a general market decline in real estate values which in turn could have led to a reduction of assessed values in the District.

The District cannot make any representation regarding the effects that drought, change in economic conditions, caused by pandemic or otherwise, fire conditions, floods, earthquakes, or other natural disasters has had, or may have on the value of taxable property within the District, or to what extent such conditions could cause disruptions to agricultural production, destroy property, reduce land values and adversely impact other economic activity within the boundaries of the District.

Reassessments and Appeals of Assessed Valuations

Pursuant to California Proposition 8 of November 1978 ("Proposition 8"), property owners may apply for a reduction of their property tax assessment by filing a written application, in a form prescribed by the State Board of Equalization ("SBE"), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the factors described in the paragraph above or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as lower residential home sale prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution."

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

County assessors, at their discretion, may also, from time to time, review certain property types purchased between specific time periods (e.g., all single family homes and condominiums purchased shortly prior to widespread declines in the fair market value of residential real estate within the county, as occurred between 2009 and 2011) and may proactively, temporarily reduce the assessed value of qualifying properties to Proposition 8 assessed values without owner appeal therefor.

A property that has been reassessed under Proposition 8, whether pursuant to owner appeal or due to county assessor review, is subsequently reviewed annually to determine its lien date value. Assuming no change in ownership or new construction, and if and as market conditions improve, the assessed value of a property with a Proposition 8 assessed value in place may increase as of each property tax lien date by more than the standard annual inflationary factor growth rate allowed under Article XIIIA (currently, a 2% annual maximum) until such assessed value again equals the Article XIIIA base year value for such property as adjusted for inflation and years of ownership, at which point such property is again taxed pursuant to Article XIIIA, and base year values may not be increased by more than the standard Article XIIIA annual inflationary factor growth rate. A change in ownership while a property is subject to a Proposition 8 reassessment assessed valuation will cause such assessed valuation to become fixed as a new Article XIIIA base year value for such property. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution" herein.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE only hears appeals related to the programs that it constitutionally administers and the Office of Tax Appeals hears appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

No assurance can be given that property tax appeals and reassessments in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction

The table below sets forth the assessed valuation within the District by political jurisdiction.

GOLETA UNION SCHOOL DISTRICT
2024-25 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Goleta	$ 9,816,901,721	53.01%	$ 9,816,901,721	100.00%
City of Santa Barbara	314,016,078	1.70	29,311,992,993	1.07
Unincorporated Santa Barbara County	8,387,129,555	45.29	52,838,121,115	15.87
Total District	$18,518,047,354	100.00%		
Santa Barbara County	$18,518,047,354	100.00%	$115,150,347,889	16.08%

Source: *California Municipal Statistics, Inc.*

[Remainder of page intentionally left blank.]

Assessed Valuation by Land Use

The table below sets forth the assessed valuation of the taxable property within the District by land use for fiscal year 2024-25.

GOLETA UNION SCHOOL DISTRICT
2024-25 Assessed Valuation and Parcels by Land Use

Non-Residential:	2024-25 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$ 434,113,082	2.48%	530	2.69%
Commercial/Office	1,402,650,243	8.03	431	2.19
Vacant Commercial	78,750,197	0.45	114	0.58
Industrial	1,078,138,254	6.17	205	1.04
Vacant Industrial	20,590,569	0.12	19	0.10
Recreational	48,304,143	0.28	181	0.92
Government/Social/Institutional	181,170,996	1.04	93	0.47
Miscellaneous	4,656,612	0.03	273	1.39
Subtotal Non-Residential	$3,248,374,096	18.59%	1,846	9.37%
Residential:				
Single Family Residence	$ 8,944,139,803	51.17%	11,548	58.59%
Condominium/Townhouse	2,151,383,289	12.31	3,980	20.19
Mobile Home	112,560,479	0.64	801	4.06
Mobile Home Park	21,042,187	0.12	6	0.03
Hotel/Motel	944,358,359	5.40	43	0.22
2-4 Residential Units	467,060,385	2.67	602	3.05
5+ Residential Units/Apartments	1,459,363,732	8.35	387	1.96
Vacant Residential	129,887,081	0.74	496	2.52
Subtotal Residential	$14,229,795,315	81.41%	17,863	90.63%
Total	$17,478,169,411	100.00%	19,709	100.00%

(1) Local secured assessed valuation, excluding tax-exempt property.
Source: *California Municipal Statistics, Inc*.

[Remainder of page intentionally left blank.]

Assessed Valuation of Single Family Homes

The following table sets forth ranges of assessed valuations of single family homes in the District for fiscal year 2024-25, including the median and average assessed value per single family parcel.

GOLETA UNION SCHOOL DISTRICT
Per Parcel 2024-25 Assessed Valuation of Single Family Homes

	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	11,548	$8,944,139,803	$774,519	$645,770

2024-25 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	617	5.343%	5.343%	$ 52,761,780	0.590%	0.590%
$100,000 - $199,999	1,313	11.370	16.713	180,977,653	2.023	2.613
$200,000 - $299,999	741	6.417	23.130	185,643,525	2.076	4.689
$300,000 - $399,999	854	7.395	30.525	304,044,763	3.399	8.088
$400,000 - $499,999	1,123	9.725	40.249	502,023,439	5.613	13.701
$500,000 - $599,999	820	7.101	47.350	449,830,499	5.029	18.730
$600,000 - $699,999	702	6.079	53.429	456,547,914	5.104	23.835
$700,000 - $799,999	676	5.854	59.283	507,401,117	5.673	29.508
$800,000 - $899,999	796	6.893	66.176	679,317,900	7.595	37.103
$900,000 - $999,999	802	6.945	73.121	759,640,240	8.493	45.596
$1,000,000 - $1,099,999	629	5.447	78.568	657,882,711	7.355	52.952
$1,100,000 - $1,199,999	490	4.243	82.811	563,830,505	6.304	59.256
$1,200,000 - $1,299,999	360	3.117	85.928	448,813,203	5.018	64.274
$1,300,000 - $1,399,999	289	2.503	88.431	388,316,633	4.342	68.615
$1,400,000 - $1,499,999	205	1.775	90.206	296,288,058	3.313	71.928
$1,500,000 - $1,599,999	154	1.334	91.540	239,162,509	2.674	74.602
$1,600,000 - $1,699,999	135	1.169	92.709	222,834,272	2.491	77.093
$1,700,000 - $1,799,999	122	1.056	93.765	213,308,828	2.385	79.478
$1,800,000 - $1,899,999	119	1.030	94.796	220,223,827	2.462	81.940
$1,900,000 - $1,999,999	97	0.840	95.636	189,175,002	2.115	84.055
$2,000,000 and greater	504	4.364	100.000	1,426,115,425	15.945	100.000
	11,548	100.000%		$8,944,139,803	100.000%	

[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: *California Municipal Statistics, Inc.*

[Remainder of page intentionally left blank.]

Largest Taxpayers

The table below sets forth the largest local secured taxpayers within the District in fiscal year 2024-25.

GOLETA UNION SCHOOL DISTRICT
2024-25 Largest Local Secured Taxpayers

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total[1]
1.	Ruby SB Hotel LLC	Hotel	$ 521,253,786	2.98%
2.	Regency Tropicana LLC	Apartments	183,646,884	1.05
3.	SP Maravilla LLC	Rest Home	131,384,296	0.75
4.	Camino Real II LLC	Shopping Center	109,661,866	0.63
5.	Goleta Energy Storage LLC	Industrial	105,525,340	0.60
6.	Flir Commercial Vision Systems Inc.	Office Building	104,685,477	0.60
7.	Google LLC	Office Building	103,802,346	0.59
8.	Core SVA Santa Barbara Camino LLC	Apartments	93,872,298	0.54
9.	Isla Vista Owner LLC	Apartments	92,085,925	0.53
10.	Goleta Hollister Apts LLC	Apartments	90,739,610	0.52
11.	Deckers Cabrillo LLC	Office Building	81,429,803	0.47
12.	GEP X Isla Vista LLC	Apartments	78,999,628	0.45
13.	Willow Springs LP	Apartments	78,812,377	0.45
14.	Sumida Family LP	Apartments	68,703,287	0.39
15.	Cortona Corner Apartments LLC	Apartments	67,587,285	0.39
16.	Goleta HHG Hotel Development LP	Hotel	54,522,216	0.31
17.	Goleta Valley Professional Buildings Inc.	Office Building	54,050,461	0.31
18.	HIP Garden Court LP	Apartments	53,258,399	0.30
19.	Roscoe Business Park 2 LLC	Industrial	52,722,161	0.30
20.	SBR Reserve LLC	Rural/Undeveloped	51,095,503	0.29
			$2,177,838,948	12.46%

[1] 2024-25 local secured assessed valuation: $17,478,169,411.
Source: *California Municipal Statistics, Inc.*

The top 20 taxpayers on the secured roll for fiscal year 2024-25 account for 12.46% of the secured assessed value in the District which is $17,478,169,411. According to California Municipal Statistics, Inc., the largest secured taxpayer in the District for fiscal year 2024-25 is Ruby SB Hotel LLC, accounting for 2.98% of the total secured assessed value in the District. No other secured taxpayer accounts for more than 1.05% of the total secured assessed value in the District. The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner.

[Remainder of page intentionally left blank.]

Tax Rates

The following table sets forth tax rates levied in Tax Rate Area 066-004 located within the District for fiscal years 2020-21 through 2024-25.

GOLETA UNION SCHOOL DISTRICT
Typical Tax Rate per $100 Assessed Valuation (TRA 066-004)[(1)]

	2020-21	2021-22	2022-23	2023-24	2024-25
General Tax Rate	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
Goleta Union Bond	0.00776	0.02621	0.02124	0.01977	0.01711
Santa Barbara CCD	0.00731	0.00709	0.00688	0.00654	0.00713
Santa Barbara UHSD	0.02414	0.02415	0.02617	0.02524	0.23280
Total Tax Rate	$1.03921	$1.05745	$1.05429	$1.05155	$1.04804

(1) 2024-25 assessed valuation of TRA 066-004 is $4,560,036,548 which is 24.62% of the District's total assessed valuation.
Source: *California Municipal Statistics, Inc.*

The Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan for the County, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan for the County is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County Treasury is the legal depository of tax collections.

Under the Teeter Plan, the District will receive 100% of its *ad valorem* property tax levied on the secured roll with respect to the Bonds irrespective of actual delinquencies in the collection of property taxes by the County.

The Teeter Plan of the County is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors of the County orders discontinuance of its Teeter Plan, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency. In addition, if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3%, the Board of Supervisors can terminate the Teeter Plan with respect to the District. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes would depend upon the collection of *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The District is not aware of any petitions for the discontinuance of the Teeter Plan now pending in the County.

Tax Levies and Delinquencies

The table below summarizes the annual secured tax levy and delinquencies within the District as of June 30 for fiscal years 2019-20 through 2023-24.

GOLETA UNION SCHOOL DISTRICT
Secured Tax Charges and Delinquencies

	Secured Tax Charge[1]	Amount Delinquent June 30	% Delinquent June 30
2019-20	$1,145,443.09	$ 9,966.53	0.87%
2020-21	1,088,719.70	8,859.26	0.81
2021-22	3,823,433.33	26,346.12	0.69
2022-23	3,306,999.49	31,990.95	0.97
2023-24	3,263,543.65	38,266.56	1.17

[1] District's general obligation bond debt service levy.
Source: *California Municipal Statistics, Inc*

[Remainder of page intentionally left blank.]

Direct and Overlapping Debt

Numerous local agencies that provide public services overlap the District's service area. These local agencies have outstanding debt in the form of general obligation, lease revenue and special assessment bonds. The following table shows the District's estimated direct and overlapping bonded debt. The statement excludes self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations. The District has not reviewed this table, and there can be no assurance as to the accuracy of the information contained in the table; inquiries concerning the scope and methodology of procedures carried out to compile the information presented should be directed to California Municipal Statistics, Inc.

The following table is a statement of the District's direct and estimated overlapping bonded debt prepared on October 15, 2024, for debt outstanding as of October 1, 2024:

GOLETA UNION SCHOOL DISTRICT
Direct and Overlapping Bonded Indebtedness

2024-25 Assessed Valuation: $18,518,047,354

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 10/1/24
Santa Barbara Community College District	23.900%	$ 11,142,180
Santa Barbara Unified School District (former High School District Bonds)	27.165	54,894,849
Goleta Union School District	**100.000**	**34,010,000**[1]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$100,047,029
OVERLAPPING GENERAL FUND DEBT:		
Santa Barbara County General Fund Obligations	16.082%	$18,996,863
City of Goleta General Fund Obligations	100.000	9,073,135
City of Santa Barbara Certificates of Participation	1.071	261,645
Goleta West Sanitary District General Fund Obligations	100.000	12,945,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$41,276,643
Less: Santa Barbara County supported obligations		177,706
City of Santa Barbara revenue bonds supported by airport revenues		261,645
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$40,837,292
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$10,410,000
GROSS COMBINED TOTAL DEBT		$151,733,672
NET COMBINED TOTAL DEBT		$151,294,321[2]

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($34,010,000).. 0.18%
Total Direct and Overlapping Tax and Assessment Debt.......................... 0.54%
Gross Combined Total Debt.. 0.82%
Net Combined Total Debt.. 0.82%

Ratios to Redevelopment Incremental Valuation ($2,763,177,132):
Total Overlapping Tax Increment Debt... 0.38%

---

(1) Excludes the Bonds, includes the Refunded Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics Inc.*

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

State Funding of Education

On June 27, 2013, the State adopted a new method for funding school districts commonly known as the "Local Control Funding Formula." The Local Control Funding Formula ("LCFF") was implemented in stages, beginning in fiscal year 2013-14 with full implementation in fiscal year 2018-19. Prior to adoption of the LCFF, the State used a revenue limit system.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the 2013-14 State Budget (defined below), as amended by Senate Bill 91 ("SB 91") and other legislation since initial implementation, comprise the statutory framework of the LCFF. The LCFF replaced the revenue limit funding system and many categorical programs. The LCFF distributes resources to schools through a guaranteed base funding grant (the "Base Grant") per unit of ADA. The average Base Grant per unit of ADA under the LCFF is more than the average revenue limit under the prior funding system. A Base Grant is assigned to each of four grade spans. Additional supplemental funding is made available based on the proportion of English language learners, low-income students and foster youth.

For fiscal year 2024-25, the LCFF provides to school districts and charter schools a Target Base Grant for each Local Education Agency ("LEA") equivalent to (a) $11,068 per ADA for transitional kindergarten/kindergarten through grade 3; (b) $10,177 per ADA for grades 4 through 6; (c) $10,478 per ADA for grades 7 and 8; and (d) $12,460 per ADA for grades 9 through 12. For fiscal year 2024-25, the LCFF also provided an adjusted add-on for Transitional Kindergarten ("TK") equal to $3,077.

Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. With full implementation of the LCFF, the provision of a cost-of-living-adjustment ("COLA") is now subject to appropriation for such adjustment in the annual State budget. For fiscal year 2023-24, a 8.22% COLA was included, however, the COLA for fiscal year 2024-25 is significantly lower, at 1.07%. See "– State Budget Measures – 2023-24 State Budget" for information regarding the COLA for fiscal year 2023-24 and "– 2024-25 State Budget" for information regarding the COLA for fiscal year 2024-25. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include TK to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated , such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals ("FRPM") and are not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of EL/LI student enrollment. School districts whose EL/LI student populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 65% of the applicable Base Grant multiplied by the percentage of such district's EL/LI student enrollment in excess of the 55% threshold.

ADA and Enrollment

The following table sets forth the historical ADA at P-2 and enrollment for fiscal years 2016-17 through 2023-24.

GOLETA UNION SCHOOL DISTRICT
Historical ADA at P-2 and Enrollment
Fiscal Years 2016-17 through 2023-24

Fiscal Year	ADA	Enrollment
2016-17	3,432.90	3,571
2017-18	3,401.50	3,541
2018-19	3,434.37	3,566
2019-20[1]	3,490.66	3,619
2020-21[1]	3,490.66	3,378
2021-22[1]	3,171.79	3,381
2022-23	3,196.02	3,416
2023-24	3,231.47	3,407

(1) ADA for 2019-20 through 2021-22 represents "hold harmless" figures in accordance with SB 1
Source*: The District.*

[Remainder of page intentionally left blank.]

The following table sets forth the ADA, enrollment and the percentage of EL/LI student enrollment for 2023-24, as budgeted for fiscal year 2024-25 and as projected for fiscal years 2025-26 and 2026-27.

GOLETA UNION SCHOOL DISTRICT
ADA, Enrollment and Percentage of Unduplicated Count Enrollment
Fiscal Years 2023-24 through 2026-27

	ADA			Enrollment	
Fiscal Year	TK-3	4-6	Total ADA	Total Enrollment	% of EL/LI Enrollment
2023-24	1,894.74	1,336.73	3,231.47	3,407	43%
2024-25[(1)]	1,871.69	1,390.32	3,262.01	3,425	43
2025-26[(2)]	1,842.73	1,353.29	3,196.02	3,430	43
2026-27[(2)]	1,909.12	1,346.38	3,255.50	3,435	43

(1) Budgeted.
(2) Projected.
Source: *The District.*

Due to the COVID-19 pandemic and related State budget-implementing legislation, California school districts, other than certain charter school districts, were held harmless against any loss of ADA for purposes of calculating apportionment in the 2020-21 fiscal year, with ADA for purposes of calculation of state funding based on ADA for fiscal year 2019-20. Additionally, due to State-wide declining enrollment trends, additional hold harmless measures have been instituted to shelter school districts from large annual revenue losses. For fiscal year 2021-22, ADA for funding purposes was based on ADA for fiscal year 2019-20. The fiscal year 2022-23 budget for the State permits schools districts, on an on-going basis, to use the greater of the current year or prior year ADA or an average of the three prior years' ADA to calculate LCFF funding. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures."

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's second principal apportionment ADA for the current year, prior year or an average of the three prior years', whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable economic recovery target or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Certain schools districts, known as "community-funded" districts (formerly, "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community-funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community-funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants.

The District qualifies as community-funded and expects to remain a community-funded district in future years. The District expects to receive revenue from local property taxes for fiscal year 2024-25 in an amount exceeding LCFF entitlement funding by $14.67 million.

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding, including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such district on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs, covering a three-year period, are required to be adopted annually. The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. The LCFF establishes a new system of support and intervention to help school districts to meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Revenue Sources

The District categorizes its general fund revenues into four sources: LCFF revenues, federal revenues, other state revenues and other local revenues. Each of these revenue sources is briefly described below.

LCFF Sources. State funding under the LCFF consists of Base Grants and supplemental grants as described above. This category also includes local property taxes. When a district is a community-funded district, such district's share of local property taxes meets or exceeds its LCFF entitlement and, therefore, such district only receives minimum State aid and no portion of its Base Grant from the State. The District is currently a community-funded district.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Every Child Succeeds.

Other State Revenues. The District receives some other State revenues. These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Economic Impact Aid, School Improvement Program, instructional materials, and various block grants.

The District receives State aid from the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instructional material.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, interagency services and other local sources.

The following table presents each revenue source as a percentage of total revenues for fiscal years 2020-21 through 2024-25.

GOLETA UNION SCHOOL DISTRICT
Percentage of Revenue by Source
Fiscal Years 2020-21 through 2024-25

Revenue Source	2020-21	2021-22	2022-23	2023-24(1)	2024-25(2)
LCFF sources	79.23%	71.75%	71.86%	75.08%	78.92%
Federal revenues	6.00	8.60	2.92	2.75	2.36
Other State revenues	10.16	12.14	17.31	13.20	11.15
Other local revenues	4.61	7.51	7.90	8.97	7.57

(1) Unaudited Actuals for fiscal year 2023-24.
(2) Budget for fiscal year 2024-25.
Source*: The District.*

[Remainder of page intentionally left blank.]

Developer Fees

The District currently collects impact fees ("Developer Fees") pursuant to Education Code Section 17620 on residential housing in the amount of \$5.17 per square foot and on commercial and industrial development in the amount of \$0.84 per square foot. The District shares boundaries with Santa Barbara Unified School District and must split this statutory maximum fee based on each district's agreed upon share of the fee, which is 50%. Santa Barbara Unified School District collects 100% of the fees for both residential and commercial/industrial construction and remits 50% of the fees collected to the District.

For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 the District received \$578,523.78, \$96,724, \$46,047 and \$44,099 in developer fees, respectively. The District received \$362,505 (unaudited) in developer fees for fiscal year 2023-24. The District expects to receive \$80,000 in developer fees for fiscal year 2024-25.

COVID-19 Outbreak and its Economic Impact

In late 2019, an outbreak of COVID-19, a respiratory virus, initially occurred in China and subsequently spread globally. The global outbreak, together with measures undertaken to limit the spread of COVID-19 imposed by local and federal governments, caused volatility in financial markets as well as operating restrictions upon many businesses. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and increases in inflation as these restrictions and closures have been lifted.

Federal Response. On March 13, 2020, in response to the COVID-19 outbreak, then President Trump declared a national emergency, making available more than \$50 billion in federal resources to combat the spread of COVID-19. Contemporaneously, Congress enacted and the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") to provide relief and stimulus to American businesses and individuals impacted by COVID-19. The CARES Act also designated \$339.8 billion for state and local governments with \$274 billion for COVID-19 response efforts as well as an additional \$13 billion for K-12 schools. In order to provide extensions to certain benefits previously provided under the CARES Act, as well as address ongoing economic impacts of the COVID-19 pandemic, in December, 2020, the federal government enacted the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") which included \$900 billion of coronavirus emergency response and relief including \$54.3 billion for K-12 schools and \$22.7 billion for higher education. In March, 2021, President Biden signed a \$1.9 trillion stimulus package (the "American Rescue Package") into law, authorizing a third round of one-time stimulus payments for qualifying Americans, extending additional unemployment benefits, and providing \$123 billion in new, flexible aid to school districts. The Biden Administration ended its COVID-19 emergency declarations on May 11, 2023.

State Response. In response to the outbreak of COVID-19 in the State, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency. On March 19, 2020, Governor Newsom issued an Executive Order requiring mandatory shelter-in-place for all non-essential services. In September, 2020, the Governor replaced the Executive Order with the "Blueprint for a Safer Economy" ("Blueprint") which provided regulations for economic and social activity on a county by county basis related to certain metrics of disease transmission. The Blueprint system was terminated on June 15, 2021, and Governor Newsom ended the State of Emergency relating to COVID-19 on February 28, 2023.

As a result of the various regulations imposed in order to slow the spread of COVID-19, economic activity within the State, the County and the community around and within the District suffered episodes of recession and/or depression. Generally, a majority of the State's general fund revenue is derived from personal income tax receipts. See " – State Budget Measures – 2024-25 State Budget" for additional information regarding State revenues in fiscal year 2024-25.

The District began the 2021-22 school year, and subsequent school years, offering full time in-person learning, for which the State provided grants to incentivize and assist school districts re-opening and learning loss mitigation.

The District cannot predict whether future COVID-19 outbreaks may occur, the extent or duration of such an outbreak, or what impact it may have on the District's General Fund revenues. However, the Bonds are general obligations of the District payable solely from *ad valorem* property taxes and are not payable from the General Fund of the District. See "SECURITY FOR THE BONDS" herein.

Budget Procedures

State Budgeting Requirements. The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. In 2014, Assembly Bill 2585 was enacted, which repealed provisions authorizing schools districts to use a dual budget adoption cycle. Instead, all school districts must be on a single budget cycle. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than November 8, the county superintendent must notify the State Superintendent of all school districts whose budget has been disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than November 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1.

Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

The District has filed positive certifications on each interim report in the last five fiscal years.

General Fund Budget. The District's general fund adopted budgets for fiscal years 2019-20 through 2024-25, audited actuals for the fiscal years 2019-20 through 2022-23 and unaudited actual results for fiscal year 2023-24 are set forth on the following page.

[Remainder of page intentionally left blank.]

GOLETA UNION SCHOOL DISTRICT
GENERAL FUND BUDGETING

	Adopted Budget 2019-20[1]	Audited Actuals 2019-20[1]	Adopted Budget 2020-21[1]	Audited Actuals 2020-21[1]	Adopted Budget 2021-22[1]	Audited Actuals 2021-22[1]	Adopted Budget 2022-23[1]	Audited Actuals[1] 2022-23	Adopted Budget[2] 2023-24	Unaudited Actuals[3] 2023-24	Adopted Budget[2] 2024-25
REVENUES											
LCFF Sources	$44,758,429	$45,844,755	$46,981,545	$47,923,145	$49,471,450	$50,279,037	$52,929,922	$53,369,084	$56,441,231	$56,655,311	$59,045,993
Federal	1,329,253	3,076,655	3,437,148	3,630,979	1,338,203	6,025,382	1,773,026	2,172,189	1,442,366	2,072,636	1,764,096
Other State	3,937,602	5,263,495	5,905,351	6,147,909	7,990,459	8,506,243	9,023,112	12,859,663	8,660,277	9,963,628	8,345,279
Other Local	4,660,611	4,819,981	4,271,820	2,787,407	4,520,533	5,264,755	7,333,458	5,870,113	5,160,115	6,768,415	5,666,794
Total Revenues	54,685,895	59,004,886	60,595,864	60,489,440	63,320,645	70,075,417	71,059,518	74,271,049	71,703,989	75,459,990	74,822,162
EXPENDITURES											
Current											
Certificated Salaries	25,367,770	26,458,859	26,138,042	26,789,365	28,306,950	30,817,500	27,439,103	29,250,369	27,599,229	28,299,460	28,282,734
Classified Salaries	11,584,100	12,596,869	11,488,782	11,736,600	12,574,310	16,240,683	16,620,671	19,996,863	19,409,751	19,297,871	19,466,096
Employee Benefits	12,142,710	13,383,075	14,521,691	12,895,018	16,052,530	15,792,794	16,729,522	18,146,236	18,088,247	17,807,002	18,318,795
Books and Supplies	2,342,164	2,868,199	2,603,667	2,773,253	2,068,406	3,089,026	3,178,181	2,922,547	2,541,426	2,443,794	2,858,265
Services, Other Operating Expenses	4,147,023	3,314,168	4,904,925	4,152,305	3,511,946	4,280,643	4,306,281	5,296,974	5,052,994	5,552,646	7,489,979
Other Outgo	158,500	257,689	292,204	247,833	267,601	138,711	163,443	130,379	62,099	181,240	(49,346)
Direct Support/Indirect Costs	--	--	--	--	--	--	--	(133,622)	(34,481)	(161,061)	--
Capital Outlay	470,529	77,653	40,000	34,931	158,500	431,040	228,500	155,611	448,612	1,383,934	12,000
Transfer out	--	--	--	--	245,224	--	--	--	--	--	125,000
Principal	--	--	--	--	--	104,967	94,317	97,848	--	--	--
Interest	--	--	--	--	--	6,547	--	13,198	--	--	--
Total Expenditures	56,212,796	58,956,512	60,004,309	58,629,305	63,158,467	70,901,911	68,401,018	75,876,403	73,167,878	74,804,984	76,378,524
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,526,901)	48,374	591,555	1,860,135	135,178	(826,494)	2,658,500	(1,605,354)	(1,463,888)	655,006	(1,556,362)
OTHER FINANCING SOURCES (USES)											
Transfers in	--	--	--	--	--	--	--	--	--	--	--
Transfers out	(325,000)	(336,199)	--	(240,000)	--	420,814	(350,000)	(554,682)	--	(150,000)	(125,000)
Other sources	--	--	--	--	--	(350,000)	--	25,111	--	--	--
Total Financing Sources (Uses)	(325,000)	(336,199)	--	(240,000)	--	70,814	(350,000)	(529,571)	--	(150,000)	(125,000)
NET CHANGE IN FUND BALANCES	(1,851,901)	(287,825)	591,555	1,620,135	135,178	(755,680)	2,308,500	(2,134,925)	(1,463,888)	505,006	(1,681,362)
Fund Balance, July 1	13,203,931	13,203,931	12,956,504	13,513,579	14,930,870	15,133,714	14,378,034	14,378,034	9,269,252	12,243,108	9,056,682
Fund Balance, June 30	$11,352,030	$12,916,106	$13,548,059	$15,133,714	$15,066,048	$14,378,034	$16,686,534	$12,243,109	$7,805,364	$12,748,115	$7,375,319

(1) From the District's comprehensive audited financial statements for fiscal years 2019-20 through 2022-23, respectively.
(2) From the Districts adopted budget for fiscal year 2023-24 and 2024-25, respectively.
(3) From the Districts Unaudited actual results for fiscal year 2023-24.
Source: *The District*

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2023 and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District, 401 North Fairview Avenue, Goleta, California 93117. See APPENDIX B hereto for the 2022-23 Audited Financial Statements of the District.

The following table reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2019-20 to fiscal year 2022-23.

[Remainder of page intentionally left blank.]

GOLETA UNION SCHOOL DISTRICT
GENERAL FUND
Statement of Revenues, Expenditures and Change in Fund Balances for Fiscal Years 2019-20 through 2022-23

	2019-20 Audit	2020-21 Audit	2021-22 Audit	2022-23 Audit
REVENUES				
LCFF Sources	$45,844,755	$47,923,145	$50,279,037	$53,369,084
Federal Revenues	3,076,655	3,630,979	6,025,382	2,172,189
Other State Revenues	5,263,495	6,147,909	8,506,243	12,859,663
Other Local Revenues	4,819,981	2,787,407	5,264,755	5,870,113
Total Revenues	59,004,886	60,489,440	70,075,417	74,271,049
EXPENDITURES				
Instruction	38,689,823	38,360,998	46,011,985	46,626,076
Instruction related services:				7,990,074
Supervision of instruction	1,360,243	1,372,692	1,693,602	--
Instructional library, media and technology	463,601	466,408	522,962	--
School site administration	4,137,981	4,239,779	4,108,703	--
Pupil services:				5,078,027
Home-to-school transportation	1,266,771	1,230,941	1,721,329	--
Food services	65,289	7,825	2,559	--
All other pupil services	2,378,901	2,416,920	2,878,397	--
General administration:				
All other administration	3,823,383	4,239,779	6,485,027	4,850,896
Plant services	4,968,508	5,442,559	6,069,950	6,242,353
Ancillary services	1,334,417	189,799	1,028,080	1,603,080
Community services	137,408	112,734	99,988	88,861
Other outgo	276,137	265,148	167,815	130,379
Facility acquisition and construction	54,050	--	--	--
Capital Outlay	--	--	--	155,611
Principal	--	--	104,967	89,461
Interest	--	--	6,547	21,585
Total Expenditures	58,956,512	58,629,305	70,901,911	75,876,403
Excess (Deficiency) of Revenues Over Expenditures	48,374	1,860,135	(826,494)	(1,605,354)
OTHER FINANCING SOURCES (USES):				
Transfers In	--	--	--	--
Transfers Out	(336,199)	(240,000)	(350,000)	(554,682)
Other Sources	--	--	420,814	25,111
Net Financing Sources	(336,199)	(240,000)	70,814	(529,571)
NET CHANGE IN FUND BALANCES	(287,825)	1,620,135	(755,680)	(2,134,925)
Fund Balances at Beginning of Year	13,203,931	13,513,579[1]	15,133,714	14,378,034
Fund Balances at End of Year	$12,916,106	$15,133,714	$14,378,034	$12,243,109

[1] Fiscal year 2020-21 fund balance at beginning of year as restated.
Source*: The District.*

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guaranty the accuracy or completeness of this information and has not independently verified such information.

2023-24 State Budget. The fiscal year 2023-24 budget for the State ("2023-24 State Budget") was passed by the State legislature on June 15, 2023. On June 28, 2023, the Governor signed Senate Bill 101, the State Budget Act of 2023 and on July 10, 2023, the Governor signed additional trailer bills, including Senate Bill 114 and Senate Bill 115, forming the complete substantive agreement of the 2023-24 State Budget. The 2023-24 State Budget, for the first time in several years, foresaw a downturn in revenues and addressed an approximate $31.7 billion budget shortfall. A balanced budget was accomplished through spending reductions and pullbacks of previously planned spending, delays in spending, fund shifts, alternative revenues and borrowing and a withdrawal from the Safety Net Reserve.

The 2023-24 State Budget projected approximately $208.7 billion in general fund revenues with a prior year balance of $26.4 billion for total resources of $235 billion, and $225.9 billion in expenditures for fiscal year 2023-24. For fiscal year 2022-23, the 2023-24 State Budget estimated $260.9 billion in resources and $234.6 billion in expenditures. The 2023-24 State Budget projected a historic level of reserves, setting aside a total of $37.8 billion including $22.3 billion in the Budget Stabilization Act (the "BSA") for fiscal emergencies, $900 million in the Safety Net Reserve, $10.8 billion in the Public School System Stabilization Account (the "PSSSA"), and an estimated $3.8 billion in the State's Special Fund for Economic Uncertainties. The $9.9 billion balance in the PSSSA in fiscal year 2022-23 triggered the 10% cap on school district reserves beginning in fiscal year 2023-24. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICTS – Proposition 2" herein for more information regarding school district reserves.

The 2023-24 State Budget provided total K-12 funding of $129.2 billion ($79.5 general fund and $49.7 billion from other funds). The projected decrease in State revenues under the 2023-24 State Budget lowered the Proposition 98 guarantee to $110.6 billion in fiscal year 2021-22, $107.4 billion in fiscal year 2022-23 and $108.3 billion in fiscal year 2023-24.

The LCFF under the 2023-24 State Budget received a COLA of 8.22%, the largest COLA since the implementation of the LCFF. The 2023-24 State Budget included $300 million ongoing Proposition 98 funds to establish an equity multiplier as an add-on to the LCFF to augment resources for the highest-need schools in the State.

Additional significant provisions of the 2023-24 State Budget relating to K-12 education included the following:

- *Literacy* — $250 million one-time Proposition 98 funds to build upon the existing Literacy Coaches and Reading Specialists Grant Program, which funds high-poverty schools to train and hire literacy coaches and reading specialists. Requires screening of students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year and provides $1 million to convene a panel to create a list of approved screening instruments.

- *State Pre-School* — (1) $343.1 million Proposition 98 funds and $20,000 non-Proposition 98 funds from the 2022-23 fiscal year, (2) $369.3 million Proposition 98 funds and $126.1 million General Fund from the 2023-24 fiscal year, and (3) $445.7 million Proposition 98 funds and $186.5 million General Fund from the 2024-25 fiscal year. Suspends the annual COLA applicable to the State Preschool Program in fiscal years 2023-24 and 2024-25. Revises the family fee schedule for the State Preschool Program beginning October 1, 2023, to: (1) limit family fees to one percent of a family's monthly income, and (2) prohibit the assessment of a fee for families with an adjusted monthly income below 75% of the state median income. Authorizes State Preschool Program family fee debt that accrued but remained uncollected prior to October 1, 2023 to be forgiven.

- *Educator Workforce* — $10 million one-time Proposition 98 funds for grants to provide culturally relevant support and mentorship for educators to become school administrators.

- *Transitional Kindergarten* — $357 million ongoing Proposition 98 funds to support the first year of expanded eligibility for TK and $283 million Proposition 98 funds to support the first year of adding one additional certificated or classified staff person to every TK class, $597 million ongoing Proposition 98 funds to support the second year (2023-24 school year) of expanded eligibility for transitional kindergarten and $165 million Proposition 98 funds to support the second year of adding one additional certificated or classified staff person to every transitional kindergarten class.

- Arts, Music, and Instructional Materials Discretionary Block Grant — Decreases one-time Proposition 98 fund for the grant by $200 million, reducing total one-time program support from approximately $3.5 billion to approximately $3.3 billion. The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28) will provide approximately $938 million ongoing Proposition 98 General Fund beginning in fiscal year 2023-24.

- *Learning Recovery Emergency Block Grant* — Delays approximately $1.1 billion one-time Proposition 98 funds for the Learning Recovery Emergency Block Grant to fiscal years 2025-26, 2026-27, and 2027-28.

- *Zero-Emission School Buses* — Delays $1 billion one-time Proposition 98 funds to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission to fiscal years 2024-25 and 2025-26.

- *California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program* — Delays planned fiscal year 2023-24 $550 million investment to fiscal year 2024-25.

- *School Facility Program* — Approximately $2 billion one-time General Fund to support the School Facility Program in fiscal year 2023-24.

- *Nutrition* — Additional $154 million ongoing Proposition 98 funds and an additional $110 million one-time Proposition 98 funds to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.

- *Bipartisan Safer Communities Act, Stronger Connections Program* — $119.6 million one-time federal funds to support LEA activities related to improving school climate and safety through the Stronger Connections Program.

- *Charter School Facility Grant Program* — one-time investment of $30 million Proposition 98 funds to support eligible facilities costs, consistent with the 2022-23 State Budget.

- *Bilingual Teacher Professional Development Program* — $20 million one-time Proposition 98 funds, to be available through fiscal year 2028-29 fiscal year.

- *Commercial Dishwasher Grants* — $15 million one-time Proposition 98 funds to support grants to acquire and install commercial dishwashers.

- *Restorative Justice Practices* — $7 million one-time Proposition 98 funds to provide support for local educational agencies opting to implement certain restorative justice best practices.

- *Golden State Teacher Grant Program* — $6 million one-time federal funds to support grants to teacher candidates enrolled in a special education teacher preparation program who agree to teach at a high-need school site.

- *K-12 High Speed Network* — $3.8 million ongoing Proposition 98 funds to support the K-12 High Speed Network program.

- *Reversing Opioid Overdoses* — $3.5 million ongoing Proposition 98 funds for all middle schools, high schools, and adult school sites to maintain at least two doses of naloxone hydrochloride or another medication to reverse an opioid overdose on campus for emergency aid.

2024-25 State Budget. The fiscal year 2024-25 budget for the State ("2024-25 State Budget") was passed by the State legislature on June 13, 2024. On June 26, 2024, the Governor signed Assembly Bill 107, the main budget bill approved by the legislature, and Senate Bill 154, the Proposition 98 suspension bill. Additionally, the Governor declared a fiscal emergency which allows the State to suspend the transfer of moneys to the BSA required by the State Constitution and return funds that have been transferred to the BSA to the general fund for use to address the budget emergency. On June 29, 2024, the Governor signed Senate Bill 153, the education omnibus trailer bill and Senate Bill 108, the "budget bill junior" to implement the final budget agreement between the legislature and the Governor.

The 2024-25 State Budget balances the budget in fiscal years 2024-25 and 2025-26. It also maintains $22.2 billion in total reserves at the end of fiscal year 2024-25. The legislation addresses a $46.8 billion shortfall through a balanced package of solutions, including spending reductions of $16 billion. The 2024-25 State Budget projects approximately $212.1 billion in general fund revenues with a prior year balance of $13.4 billion for total resources of $225.6 billion, and $211.5 billion in expenditures for fiscal year 2024-25. For fiscal year 2023-24, the 2024-25 State Budget estimated $236.5 billion in total resources and $223.1 billion in expenditures. The 2024-25 State Budget provides total K-12 funding of $133.8 billion ($81.5 general fund and $52.3 billion from other funds).

[Remainder of page intentionally left blank.]

The 2024-25 State Budget reflects a total balance of $8.4 billion in the PSSSA at the end of fiscal year 2022-23 and reflects the withdrawal of this balance in fiscal year 2023-24. The 2024-25 State Budget also reflects a roughly $1.1 billion discretionary payment into the PSSSA in fiscal year 2024-25, resulting in a balance of $1.1 billion. Since there is no ending balance in the account in fiscal year 2023-24 and a balance of $1.1 billion in fiscal year 2024-25, school district reserve caps are not triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICTS – Proposition 2" herein for more information regarding school district reserves.

The State Legislature may suspend the Proposition 98 Guarantee under certain circumstances and create a maintenance factor to be paid in future fiscal years. The 2024-25 State Budget suspends the Proposition 98 Guarantee in fiscal year 2023-24 and projects the Proposition 98 Guarantee to be in Test 1 in fiscal year 2024-25 (equal to the percentage of General Fund appropriated for K-14 schools in fiscal year 1986-87). Suspending the Proposition 98 Guarantee is projected to create a maintenance factor obligation of approximately $8.3 billion in fiscal year 2023-24 and is projected to result in a $4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 Guarantee level. The 2024-25 State Budget rebenches the Test 1 percentage, from approximately 38.6% to approximately 39.2%, to increase the percentage of General Fund revenues obligated to the Proposition 98 Guarantee.

The 2024-25 State Budget reflects Proposition 98 funding levels of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2024-25.

The LCFF under the 2024-25 State Budget receives a COLA of 1.07 %, and when combined with population growth adjustments, will result in an increase of approximately $983 million over the 2023-24 State Budget under the LCFF. To fully fund the LCFF, the 2024-25 State Budget withdraws approximately $5.3 billion from the PSSSA to support LCFF costs in fiscal year 2023-24 and uses available reappropriation and reversion funding of $253.9 million to support ongoing LCFF costs in fiscal year 2024-25.

The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately $3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately $246 million. Additionally, the 2024-25 State Budget reflects approximately $2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using PSSSA resources.

Additional significant provisions of the 2024-25 State Budget relating to K-12 education include the following:

- *Instructional Continuity and Attendance Recovery* — Beginning in fiscal year 2025-26, school districts can add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the State Department of Education for funding purposes. Includes $4 million one-time Proposition 98 funds to research and develop models of hybrid and remote learning to support students' attendance.

- *Forgoing Planned Programs to Address Budget Shortfall* — Forgoes the following planned investments: $875 million to support the School Facility Program, $550 million to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program and $500 million one-time Proposition 98 funds in fiscal year 2024-25 to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission.

- *Teacher Professional Development and Preparation* — $25 million one-time funds to train educators to administer literacy screenings of students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year.

- *State Preschool* — $53.7 million funds to support reimbursement rate increases previously supported by available one-time federal stimulus funding and authorizes California State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027.

- *Transitional Kindergarten* — $988.7 million Proposition 98 funds to support the second year (2023-24 school year) of expanded eligibility for transitional kindergarten, $390.2 million Proposition 98 funds to support the second year of adding one additional certificated or classified staff person to every transitional kindergarten class, $1.5 billion ongoing Proposition 98 funds to support the third year (2024-25 school year) of expanded eligibility for transitional kindergarten and $515.5 million ongoing Proposition 98 funds to support the third year of adding one additional certificated or classified staff person to every transitional kindergarten class.

- *The Arts and Music in Schools: Funding Guarantee and Accountability Act (Proposition 28)* — $907.1 million to support the Proposition 28.

- *Categorical Program COLA* — $89.2 million ongoing Proposition 98 funds to reflect a 1.07% COLA for specified categorical programs.

- *Nutrition* — $179.4 million ongoing Proposition 98 General Fund and $120.8 million one-time Proposition 98 funds to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25 (in addition to $1.6 billion in base funding for the program).

- *Classified School Employee Summer Assistance Program* — $9 million one-time Proposition 98 funds for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during intersessional months when not employed.

- *Curriculum-Embedded Performance Tasks for Science* — $7 million one-time Proposition 98 funds to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks.

- *California Teachers Collaborative for Holocaust and Genocide Education* — $5 million one-time Proposition 98 funds to support the California Teachers Collaborative for Holocaust and Genocide Education.

- *After School Education and Safety Programs* — $5 million one-time funds for Save the Children, supporting after school programs in rural districts.

- *State Special Schools Infrastructure Support* — $3.4 million, of which $380,000 is ongoing, to replace critical servers, maintain warranty coverage for network infrastructure, and refresh laptops, tablets, and workstations for students and staff at the State Special Schools and Diagnostic Centers.

- *K-12 High Speed Network* — $3.2 million ongoing Proposition 98 funds to support the K-12 High Speed Network program.

- *Student Friendly Services* — $2.1 million ongoing Proposition 98 funds to support the California College Guidance Initiative.

- *Inclusive College Technical Assistance Center* — $2 million ongoing Proposition 98 funds to establish a Technical Assistance Center.

Future Actions. The State has in past years experienced budgetary difficulties and has balanced its budget by requiring local political subdivisions to fund certain costs theretofore borne by the State. No prediction can be made as to whether the State will, in the future, take further measures which would, in turn, adversely affect the District. Further State actions taken to address any budgetary difficulties could have the effect of reducing District support indirectly, and the District is unable to predict the nature, extent or effect of such reductions. See also "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" for a discussion of COVID-19 and its impact on the State economy.

The District cannot predict the extent to which the State will encounter budgetary difficulties and what budget actions will be taken to resolve those difficulties in future fiscal years. The District also cannot predict the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control.

Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the County assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the base year value. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on outstanding general obligation bonds of the District, including the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of principal of and interest on the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature to change any State taxes for the purpose of increasing tax revenues.

Property Tax Base Transfer Constitutional Amendment. On November 3, 2020, voters in the State approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment. Proposition 19: (i) expands special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrows existing special rules for inherited properties; and (iii) broadens the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the County by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is a community-funded district, taxes lost through any reduction in assessed valuation will be not compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for certain debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, I appropriations for all qualified capital outlay projects as defined by the Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, if a school district's revenues exceed its spending limit, such school district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "–Proposition 98" and "–Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts and community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in 1986-87, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

Proposition 111

On June 5, 1990, the voters of California approved the Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above 1990 levels (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendment may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property, and property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election be no more than $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California (the "Controller")). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide. ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to such redevelopment agency will be allocated to the Successor Agency, to be used for the payment of pass-through payments to local taxing entities and to any other "enforceable obligations" (as defined in the Dissolution Act), as well to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally requirement payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations. Tax revenues in excess of such amounts, if any, will be distributed to local taxing entities in the same proportions as other tax revenues.

The District can make no representations as to the extent to which its property tax apportionments may be offset by the future receipt of pass through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Proposition 30

On November 6, 2012, voters approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending January 1, 2019, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the temporary tax increases were included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 98" and "—Proposition 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases were deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA were and will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

Proposition 2, a legislatively referred Constitutional amendment approved by the voters in November, 2014 ("Proposition 2"), changed the way in which the State pays off existing debts, funds its reserves and draws from those reserves in times of economic slowdowns, as well as requires that reserves be set aside for schools and community colleges under certain circumstances. In addition, as a result of the passage of Proposition 2, new rules for school district reserves were implemented.

Under Proposition 2, the State is required annually to deposit 1.5% of general fund revenues into the BSA. From fiscal year 2015-16 through 2029-30, under Proposition 2, one half of the amount required to be deposited to the BSA must be applied to the payment of debts for pension and retiree benefits and specified debts to local governments and certain other State accounts. In years when capital gains tax revenues exceed 8% of general fund revenues, a portion of such excess capital gains tax revenue is also required to be applied to the pay down of State debt. Deposits to the BSA are required until the amount on hand in the BSA reaches 10% of general fund revenues. Once the maximum has been reached, the required deposit amount may be applied to other expenditures.

In the event the Governor were to declare a budget emergency, Proposition 2 would permit a smaller deposit to the BSA. A budget emergency may be called if there is a natural disaster such as an earthquake or flood or general fund revenues reach a certain minimum level. Withdrawals from the BSA, under Proposition 2, are permitted upon a majority vote of the legislature only when the Governor has declared a budget emergency. If a budget emergency is called for two straight years in a row, in the second budget emergency year, the entire amount on hand might be withdrawn.

Public School System Stabilization Account. In the event capital gains tax revenues collected by the State in any given fiscal year exceed 8% of general fund revenues, a portion of such excess is required to be deposited into the PSSSA which serves as a reserve account for school funding in years when the State budget is smaller. See "DISTRICT FINANCIAL INFORMATION - State Budget Measures – 2023-24 State Budget" herein for information regarding the deposit of funds to the PSSSA in fiscal years 2020-21, 2021-22 and 2022-23.

SB 858 and SB 751. State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the school district's ADA. SB 858, adopted in June 2014, imposed limitations relating to ending fund balances for school districts. Beginning in fiscal year 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher than the state's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. SB 751, which was adopted in October 2017 and amended Section 42127.01 of the Education Code, placed certain restrictions on the amount of a school district's ending fund balances if a certain amount of funds is available in the PSSSA. In a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts for that fiscal year, (see "– Proposition 98"), a school district's adopted or revised budget may not contain an assigned or unassigned ending fund balance higher than 10% of expenditures and other financing uses. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period. SB 751 does not apply to school districts with an ADA of less than 2,501 students and community funded school districts.

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The PSSSA appears to be intended to provide a substitute for local reserves in the event of a future economic downturn.

The District is required to maintain a reserve for economic uncertainties at least equal to 3% of general fund expenditures and other financing uses. On June 30, 2023, the District had available reserves of $8,695,550, equal to 11.38% of general fund expenditures and other financing uses. The District is unable to predict what the effect on its budget will be following implementation of these new rules. It is anticipated that if the cap is triggered, it will materially change the District's current policies on reserves.

Proposition 28

On November 8, 2022, voters approved The Arts and Music in Schools Funding Guarantee and Accountability Act which provides additional funding for arts and music education in all K–12 public schools (including charter schools) by annually allocating from the State general fund an amount equal to 1% of total State and local revenues received by public schools in the preceding fiscal year under Proposition 98. Amounts provided under Proposition 28 are in addition to and not considered a part of the Proposition 98 guarantee. Funds appropriated under Proposition 28 are to be allocated 70% based on a school district's share of Statewide enrollment and 30% based on such school district's share of Statewide enrollment of economically disadvantaged students and must be distributed to school sites following such allocation. School districts must expend funds received pursuant to Proposition 28 within three years or such funds revert to CDE for reallocation under Proposition 28.

As a condition to receipt of funds under Proposition 28, school districts must certify that funds are to be used for arts education and that funds received in the prior fiscal year were, in fact, used for those purposes. Additionally, no more than 1% of Proposition 28 funds may be used for administrative purposes in implementing Proposition 28 programs. Schools with 500 or more students must certify that at least 80% of the funding is to be used to employ teachers and that the remainder will be spent on training, supplies, and education partnerships. Amounts appropriated under Proposition 28 in a given year may be reduced if the State legislature suspends the Proposition 98 guarantee but only in an amount equal to the percent reduction of the Proposition 98 guarantee.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 26, 98, 111 and 28 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

GOLETA UNION SCHOOL DISTRICT

Introduction

The District was founded in the 1920s. The District is located in Goleta, California, and serves portions of the City of Goleta and certain unincorporated areas of the County. The District serves an area of approximately 104 square miles. The District currently operates nine elementary schools, three State-funded preschool programs, and the Learning Tree Preschool, which enrolls special education students and general preschool students. The ADA for the District budgeted for fiscal year 2024-25 is projected to be 3,262 students, and the District has a fiscal year 2024-25 assessed valuation of $18,518,047,354. The audited financial statements for the District for the fiscal year ended June 30, 2023 are attached hereto as APPENDIX B.

Board of Trustees

The District is governed by a Board consisting of five members who are elected by trustee area to overlapping four-year terms at elections held in staggered years. If a vacancy arises during any term, the vacancy is filled by either an appointment by the majority vote of the remaining Board members or by a special election. The years in which the current terms for each member of the Board expire are set forth in the following table:

GOLETA UNION SCHOOL DISTRICT
Board of Trustees

Name	Office	Trustee Area	Term Expires December
Dr. Vicki Ben-Yaacov	President	4	2024
Sholeh Jahangir	Vice President	2	2024
Ethan Bertrand	Clerk	5	2026
Dr. Richard Mayer	Trustee	1	2026
Emily Zacarias	Trustee	3	2026

Source: *The District.*

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District may be obtained by contacting: Goleta Union School District, 401 North Fairview Avenue, Goleta, California 93117. Attention: Superintendent. The District may charge a small fee for copying, mailing and handling.

The Superintendent of the District is responsible for administering the day-to-day affairs of the District in accordance with the policies of the Board. Brief biographies of the Superintendent and Assistant Superintendent, Fiscal Services follow.

Dr. Mary Kahn – ***Superintendent.*** Dr. Mary Kahn has served as the Superintendent of the District since July 1, 2024. Prior to that, Dr. Kahn served as Assistant Superintendent of Instructional Service and as a principal and teacher at the District. Dr. Kahn grew up in Goleta and attended schools within the Goleta Union School District. She received a Bachelor of Arts degree from San Diego State University, a Master's Degree in special education from Cal Poly San Luis Obispo and a doctorate in education leadership, with a concentration in dual language immersion, from the Fielding Graduate University.

Conrad Tedeschi, CPA – ***Assistant Superintendent, Fiscal Services.*** Mr. Tedeschi has served as the Assistant Superintendent of Fiscal Services of the District since January 2016. Before coming to the District, he served as the Director of Fiscal Services for the Santa Barbara Unified School District. He received his CPA certificate from the State of California in 2000 which has remained current. He also holds a certificate as a Certified Public Finance Officer from the Government Officers Association. He has fifteen years of experience in public school finance in California and ten years of experience in local government during his tenure with the County of Santa Barbara Auditor Controller.

Employees and Labor Relations

The District employs approximately 230.61 full-time equivalent ("FTE") certificated employees, approximately 334.32 FTE classified employees and approximately 27 management, supervisory and confidential FTE employees.

The certificated employees of the District have assigned the United Teaching Profession of Goleta/CTA/NEA ("CTA") as their exclusive bargaining agent. The contract between the District and CTA expires on June 30, 2026.

The classified employees have assigned California School Employees Association Goleta Valley Chapter 311 ("CSEA") as their exclusive bargaining agent. The contract between the District and CSEA expires on June 30, 2026.

District Retirement Systems

The information set forth below regarding the District's retirement programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program").

Benefit provisions and employer contributions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. For fiscal year 2024-25, the District is currently required by such statutes to contribute 19.10% of eligible salary expenditures, while participants contribute either 10.25% or 10.205% of their respective salaries. The State also contributes to STRS, currently in an amount equal to 10.828% of teacher payroll for fiscal year 2024-25. The State's contribution reflects a base contribution of 2.017% and a supplemental contribution that will vary from year-to-year based on statutory criteria, and a contribution of 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for STRS, increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate increased by 1.85% in fiscal year 2015-16, and will continue to increase annually as further described below. Teacher contributions also increased from 8.00% to a total of 10.25% of pay for employees ("Classic Members") hired before the Implementation Date (defined herein) and 10.205% for employees ("PEPRA Members") hired after the Implementation Date (defined herein), over the three year period from 2014-15 through 2017-18. The State's total contribution also increased from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annually for a supplemental inflation protection program for a total of 8.80%.

Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Teachers' Retirement Board (the "STRS Board") is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Board, is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

Pursuant to AB 1469, school districts' employer contribution rates increased over a seven-year phase-in period beginning in fiscal year 2014-15 through fiscal year 2019-20 when employer contribution rates reached 17.1% (including certain reductions in the contribution rate for supplemental payments made by the State in fiscal years 2019-20 and 2020-21.)

The 2020-21 State Budget applied certain funds in fiscal year 2020-21 intended under the 2019-20 State Budget to reduce future obligations to STRS to the school districts' then current obligations to STRS to reduce the school district's contribution rates to STRS in fiscal year 2020-21 from 18.41% to approximately 16.15% and in fiscal year 2021-22 from 17.9% to 16.02%. The employer contribution rate was 19.1% in fiscal year 2023-24 and is 19.1% in fiscal year 2024-25.

Recent Investment Returns. In fiscal year 2023-24, STRS realized an 8.4% net return on investments, exceeding its investment rate of return assumption of 7.0%. The STRS pension system is ahead of schedule in reaching full funding by 2046.

The District contributed $4,322,944 to STRS for fiscal year 2019-20, $4,190,363 for fiscal year 2020-21, $4,937,935 for fiscal year 2021-22, $5,613,012 for fiscal year 2022-23 and $8,189,455 for fiscal year 2023-24 (unaudited). Such contributions were equal to 100% of the required contributions for the respective years. The District has budgeted a contribution of $8,476,445 to STRS for fiscal year 2024-25. With the implementation of AB 1469, the District anticipates that its contributions to STRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to STRS in future fiscal years.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended, with the Public Employees' Retirement Law. The District is currently required to contribute to PERS at an actuarially determined rate, which is 27.05% of eligible salary expenditures for fiscal year 2024-25, while Classic Members contribute at a rate established by statute which is 7% of their respective salaries, and PEPRA Members contribute at an actuarially determined rate which is 8.00% of their respective salaries. See –"California Public Employees' Pension Reform Act of 2013" below.

PERS estimates future employer contribution rates as follows:

Fiscal Year	Projected Employer Contribution Rates (PERS Actuarial Report)[1]
2025-26	27.40%
2026-27	27.50
2027-28	28.50
2028-29	28.20
2029-30	27.80

(1) As of August 30, 2024.

The actual investment return for fiscal year 2023-24 was not known at the time the above projections were prepared and the rates assume an investment return for fiscal year 2023-24 of 6.80%. Projected rates also reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers.

Recent Investment Returns. From its Basic Financial Statements issued on November 15, 2022, PERS reported a negative 7.5% net return on investments for fiscal year 2021-22, which was PERS' first negative return on investments since fiscal year 2008-09. Such losses are reflected in PERS' projected rates above. However, PERS Basic Financial Statements for fiscal year ended June 30, 2023 reported an investment return of 6.1% and PERS has released a preliminary net return of 9.3% on investments for fiscal year 2023-24.

The District contributed $2,214,034 to PERS for fiscal year 2019-20, $2,438,337 for fiscal year 2020-21, $3,330,414 for fiscal year 2021-22, $4,679,335 for fiscal year 2022-23 and $4,596,078 for fiscal year 2023-24 (unaudited) which amounts equaled 100% of required contributions to PERS. The District has budgeted a contribution of $4,897,473 for fiscal year 2024-25.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions.

[Remainder of page intentionally left blank]

The following table summarizes information regarding the actuarially-determined accrued liability for PERS as of June 30, 2023 and STRS as of July 1, 2023.

FUNDED STATUS
STRS (DEFINED BENEFIT PROGRAM) and PERS
Actuarial Valuation
(Dollar Amounts in Millions) [(1)]

Plan	Accrued Liability	Market Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS)	$124,924	$84,292	$(40,632)
State Teachers' Retirement Fund Defined Benefit Program (STRS)	359,741	299,148	(60,593)[(2)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
Source: *PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.*

Unlike PERS, STRS contribution rates for participant employers, Classic Members and the State are set by statute and do not currently vary from year-to-year based on actuarial valuations. As a result of the Reform Act (defined below), the contribution rate for STRS PEPRA Members will vary from year-to-year based on actuarial valuations. See " – California Public Employees' Pension Reform Act of 2013" below. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, STRS continues to maintain an unfunded liability. AB 1469 is intended to address this unfunded liability. The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make larger contributions to STRS in the future. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for members not participating in social security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liability of STRS and PERS, as of June 30, 2023, are as shown in the following table.

Pension Plan	Proportionate Share of Net Pension Liability
STRS	33,967,860
PERS	32,482,706
Total	$66,450,566

Source*: The District.*

For further information about the District's contributions to PERS and STRS, see Note 13 in the District's audited financial statements for fiscal year ended June 30, 2023 attached hereto as APPENDIX B.

School districts' retirement contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot determine whether current or future financial market losses and/or volatility might impact the value of investments held by either PERS or STRS to fund retirement benefits or whether the District's contribution rates to PERS or STRS might increase in the future as a result of any declines in the value of investments in response to financial market conditions such as recession or inflation.

Other Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.* The pronouncement required public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. In June 2015, GASB replaced Statement

No. 45 with Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The District does not provide retiree employment benefits other than pensions to current employees. The District participates in the Medicare Premium Payment Program ("MPP"), a cost-sharing multiple employer post-employment benefit plan administered by STRS. The MPP was available to eligible employees that retired on or before July 1, 2012 and is closed to new retirees.

For fiscal year ended June 30, 2023, the District reported a liability under the MPP of $242,447 for its proportionate share of net OPEB liability and expense of ($26,199).

Risk Management

The District is exposed to various risks of loss related to tortious liability, theft, damage or destruction of assets, errors or omissions, employee injuries or natural disasters.

The District participates in three joint ventures under joint powers agreements (JPAs); the Santa Barbara County Schools Self Insurance Program for Employees ("SIPE") and the Self-Insured Schools of California II and II ("SISC II and SISC III"). SIPE was established to provide the services and other items necessary and appropriate for the development, operation and maintenance of a self-insurance system for workers' compensation claims against the public educational agencies who are members thereof. The participants consist of the Office of the County Superintendent of Schools, school districts and a community college district. Each participant may appoint one representative to the governing board. The governing board is responsible for establishing premium rates and making budgeting decisions. SISC II and SISC III arrange for and provides property and liability insurance for its member school districts. The District pays a premium commensurate with the level of coverage requested.

Cyber Security

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District may face cybersecurity threats from time to time. Given the importance of cybersecurity for school districts, federal lawmakers recently approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks. The District is not aware of any major cybersecurity attack or breach of its systems during the last five years. To protect itself from cybersecurity attacks, the District utilizes firewalls, anti-virus and anti-malware software, and provides cybersecurity training to District employees. In addition, the District has an informal general technology use policy. As a result, the District expects that any such disruptions caused by a cyberattack would be temporary in nature. The District currently maintains a policy of cyber liability insurance. There can be no assurance that a future cyberattack or attempted cyberattack would not compromise the personal information that the District collects, processes and stores or cause a disruption in District operations, particularly given that students, teachers, and staff are accessing District computer systems and platforms remotely which may increase the risks of intrusion by third parties.

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (State Education Code Sections 47600-47663) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, the State's charter school law states that local boards are the primary charter-approving agency and that county boards of education can approve a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. Charter schools are exempt from state and local education rules and regulations, except as specified in the legislation.

The District has certain fiscal oversight and other responsibilities with respect to any independent and District-operated charter schools established within its boundaries. However, any independent charter schools would receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Any District-operated charter schools would receive funding through the District, and such funding would be reflected in the District's audited financial statements. Currently, there are no independent or District-operated charter schools established within the District's boundaries.

The District can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from such charter schools, and the corresponding financial impact on the District.

District Debt Structure

Long-Term Debt. A schedule of the District's changes in long-term debt for the year ended June 30, 2023 is shown below:

GOLETA UNION SCHOOL DISTRICT
Long-Term Debt
Fiscal year ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Bonds payable	$15,075,000	$30,000,000	$3,630,000	$41,445,000	$3,980,000
Bond premium	790,025	1,871,337	191,381	2,469,981	229,110
Compensated absences	425,940	585,826	594,181	417,585	41,759
Financing Agreement	247,315	--	85,930	161,385	88,844
Lease	68,532	--	11.918	56,614	12,873
Net pension liability	38,547,765	27,902,801	--	66,450,566	--
Net OPEB liability	288,041	--	45,594	242,477	--
Totals	$55,442,618	$60,359,964	$4,559,004	$111,243,578	$4,352,587

Source: *The District*.

[Remainder of page intentionally left blank.]

General Obligation Bonds

In July 2013, the District issued its 2013 General Obligation Refunding Bonds to refund the District's outstanding Golden West Schools Financing Authority 2005 General Obligation Bonds (the "2013 Refunding Bonds"). The 2013 Refunding Bonds are intended to be refunded by the Refunding Bonds.

The District received authorization on November 3, 2020 to issue $80,000,000 aggregate principal amount of general obligation bonds. Pursuant to the 2020 Authorization, the District issued its $5,700,000 General Obligation Bonds, 2020 Election, 2021 Series A and $30,000,000 General obligation Bonds, 2020 Election, 2022 Series B. Subsequent to the issuance of the Series C Bonds, no general obligation bonds will remain for issuance under the 2020 Authorization.*

Lease Obligations

On June 1, 2022 the District entered into an agreement to lease a maintenance vehicle for five years. Under the terms of the lease, the District made an initial payment of $9,698 and will make monthly payments of $1,400 which will amount to total principal and interest payments of $93,693.

On September 14, 2022, the District entered into an equipment lease with Municipal Asset Management in the amount of $165,598 to purchase twenty-six copiers and related equipment. The equipment lease has a term of five years after which title to the leased equipment will pass to the District.

On December 17, 2021 the District entered into an agreement 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.

Energy Conservation Assistance Act Loan

On April 17, 2023, the District entered into an Energy Conservation Assistance Act Loan Agreement with the California Energy Resources Conservation and Development Commission in the amount of $2,092,838 with zero interest ("Energy Loan"). Disbursements from the Energy Loan will be used to install solar arrays on three school sites and the District Office. The Energy Loan is expected to be repaid from savings calculated from the reduction in billed electricity. The District has not made any draws under the Energy Loan.

Short-Term Debt

As of June 30, 2024, the District did not have any short-term debt outstanding. The District does not expect to issue any tax and revenue anticipation notes in fiscal year 2024-25.

[Remainder of page intentionally left blank]

* Preliminary, subject to change.

SANTA BARBARA COUNTY POOLED INVESTMENT FUND

The following information concerning the Santa Barbara County Pooled Investment Fund has been provided by the County Treasurer and has not been confirmed or verified by the District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

Under California law, the District is required to pay all monies received from any source into the Santa Barbara County Treasury to be held on behalf of the District. The County Treasurer has authority to implement and oversee the investment of funds on deposit in commingled funds of the Treasury.

Decisions on the investment of funds in the Pooled Investment Fund are made by the County Treasurer and their deputies in accordance with established policy guidelines. In the County, investment decisions are governed by California Government Code Sections 53601 and 53635, *et seq*., which govern legal investments by local agencies in the State of California, and a more restrictive Investment Policy proposed by the County Treasurer and adopted by the County Board of Supervisors on an annual basis. The Investment Policy is reviewed and approved annually by the County Board of Supervisors. The County Treasurer's compliance with the Investment Policy is also audited annually by an independent certified public accountant. See APPENDIX E hereto for the Santa Barbara County Investment Policy.

[Remainder of page intentionally left blank]

SANTA BARBARA COUNTY
POOLED INVESTMENT FUND
QUARTERLY REPORT AS OF JUNE 30, 2024

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value** 6/30/2024	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value ** 3/31/2024	Net Change
Cash	$ 5,000,000	$ --	$ 5,000,000	0.19	0.000%	1	$ 5,000,000	$ --
Cash (Interest Bearing)	11,0601,565	--	11,0601,565	0.44	2.740	1	38,627,735	(27,026,170)
FICA	5,000,000	--	5,000,000	0.19	5.230	1	50,000,000	(45,000,000)
CAMP	85,000,000	--	85,000,000	3.24	5.420	1	100,000,000	(15,000,000)
LAIF	75,000,000	--	75,000,000	2.86	4.360	1	75,000,000	--
US Treasury Bills	155,843,657	1,576,943	157,420,600	6.00	5.223	115	118,087,500	39,333,100
US Treasury Notes	1,025,061,500	(769,050)	1,024,292,450	39.06	3.258	784	836,648,800	187,643,650
Government Agency Bonds	635,744,493	(9,604,553)	626,139,940	23.88	3.624	816	623,046,143	3,093,797
Government Agency Discount Notes	58,226,857	1,707,543	59,934,400	2.29	5.347	4	79,053,100	(19,118,701)
Government Agency Bonds Callable	599, 487,864	(26,495,749)	572,992,115	21.85	0.911	440	654,949,391	(81,957,277)
Total	$ 2,655,965,935	$ (33,584,866)	$ 2,622,381,069	100.00	3.077%	605	$ 2,580,412,669	$ 41,968,400
Treasurer's Pool Earnings Summary								
Total Net Earnings****	$ 19,603,291							
Average Daily Balance	$ 2,747,016,746							
Net Interest Rate	2.87%							

Asset Description	Cost	Net Unrealized Holding Gains (Losses)	Fair Value 6/30/2024	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value 3/31/2024	Net Change
Cannabis Cash #	$ 2,000,000	$ --	$ 2,000,000	20.91	0.000%	1	$ 2,000,000	$ -
Cannabis Cash (Interest Bearing) #	7,563,888	--	7,563,888	79.09	2.74%	1	6,209,002	1,354,886
Total	$ 9,563,888	$ --	$ 9,563,888	100.00			$ 8,209,002	$ 1,354,886

Source: *The County.*
*** Provided by US Bank..*
***** Total net earnings including earned interest, amortization and realized gains and losses on investments.*
# *Proceeds from Cannabis operations are segregated from the Investment Pool and do not receive Investment Pool interest apportionment.*

Neither the District nor the Underwriter has made an independent investigation of the investments in the Pooled Investment Fund and has made no assessment of the current County Investment Policy. The value of the various investments in the Pooled Investment Fund will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, after a review by the Committee and approval by the Board may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pooled Investment Fund will not vary significantly from the values described therein.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than 270 days following the end of the District's fiscal year (currently ending June 30), which date would be March 30, commencing with the report for the 2023-24 fiscal year, and to provide notices of the occurrence of certain enumerated events. The District has entered into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Owners of the Bonds. The Annual Report and each notice of enumerated events will be filed by the District with the Electronic Municipal Markets Access system ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB"), or any other repository then recognized by the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Within the last five years, for fiscal year 2019-20, the Board approved the District's 2019-20 audited financial statements on March 31, 2021 and the District filed its 2019-20 audited financial statements on April 2, 2021. For fiscal year 2020-21, the District filed its 2020-21 audited financial statements on November 4, 2022. For fiscal year 2022-23, the District filed its 2022-23 unaudited financial statements in a timely manner in lieu of the audited financial statements which were not yet available by the filing deadline. The Board approved the District's 2022-23 audited financial statements on February 28, 2024 and the District filed the audited financial statements on May 11, 2024.

LEGAL MATTERS

The legal opinion of Dannis Woliver Kelley, San Diego, California, Bond Counsel to the District ("Bond Counsel"), attesting to the validity of the Bonds, will be supplied to the Underwriter of the Bonds without charge. A form of Bond Counsel's opinion with respect to the Bonds is attached hereto as APPENDIX A. Dannis Woliver Kelley is also acting as Disclosure Counsel to the District. Kutak Rock LLP, Irvine, California, is acting as counsel to the Underwriter ("Underwriter's Counsel"). Bond Counsel, Disclosure Counsel, and Underwriter's Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

Limitation on Remedies; Amounts Held in the County Treasury Pool

The opinion of Bond Counsel, the proposed form of which is attached hereto as APPENDIX A, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. The rights of the Owners of the Bonds are subject to certain limitations. Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of

America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs the bankruptcy proceedings for public agencies, no involuntary petitions for bankruptcy relief are permitted. While current State law precludes school districts from voluntarily seeking bankruptcy relief under Chapter 9 of the Bankruptcy Code without the concurrence of the State, such concurrence could be granted or State law could be amended.

The Resolutions and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County, on behalf of the District, is thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in APPENDIX E – "SANTA BARBARA COUNTY INVESTMENT POLICY STATEMENT" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the District's Interest and Sinking Fund where such amounts are invested in the County Investment Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

Government Code Section 53515, added by SB 222, applicable to general obligations bonds issued after its effective date, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance.

TAX MATTERS

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, (2) will not be included in computing alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on individuals, and (3) will be taken into account in determining adjusted financial statement income for the alternative minimum tax imposed on certain corporations. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. The form of Bond Counsel's anticipated opinion respecting the Bonds is included in APPENDIX A. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolutions by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service ("IRS" or the "Service") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment of Discount and Premium on Certain of the Bonds

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the bonds described above under "TAX MATTERS." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds"), may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as APPENDIX A.

LEGALITY FOR INVESTMENT

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the State Government Code, the Bonds are eligible to secure deposits of public moneys in California.

ESCROW VERIFICATION

The sufficiency of amounts transferred to the Escrow Agent pursuant to the Escrow Agreement to pay the redemption price of the Refunded Bonds will be verified by Causey Demgen & Moore, P.C., certified public accountants (the "Verification Agent"). The Verification Agent will deliver a report to that effect on the date of delivery of the Bonds.

RATING

Moody's Investors Service ("Moody's") has assigned its municipal bond rating of "Aa2" to the Bonds. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained as follows: Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

UNDERWRITING

Oppenheimer & Co. Inc. (the "Underwriter") has agreed to purchase the Series C Bonds pursuant to the terms of a bond purchase agreement by and between the District and the Underwriter ("Series C Purchase Agreement") at the purchase price of $________ (reflecting the principal amount of the Series C Bonds plus [net] original issue premium in the amount of $______ less an Underwriter's discount of $_______), at the rates and yields shown on the inside cover hereof.

The Underwriter has also agreed to purchase the Refunding Bonds pursuant to the terms of a bond purchase agreement by and between the District and the Underwriter ("Refunding Purchase Agreement" and together with the Series C Purchase Agreement, the "Purchase Agreements") at the purchase price of $________ (reflecting the principal amount of the Refunding Bonds plus [net] original issue premium in the amount of $______ less an Underwriter's discount of $_______), at the rates and yields shown on the inside cover hereof

The Purchase Agreements provide that the Underwriter will purchase all of the Bonds, subject to certain terms and conditions set forth in the Purchase Agreements, including the approval of certain legal matters by counsel. The Underwriter may offer and sell the Bonds to certain dealers and others at yields other than the yields stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending concerning the validity of the Bonds, and the District's certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolutions are available upon request from the Goleta Union School District, 401 North Fairview Avenue, Goleta, California 93117.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

GOLETA UNION SCHOOL DISTRICT

By: ______________________________________
Superintendent

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

FORMS OF BOND COUNSEL OPINION

_______________, 2024

Governing Board
Goleta Union School District
401 North Fairview Avenue
Goleta, California 93117

FINAL OPINION: $_____________ Goleta Union School District (Santa Barbara County, California) General Obligation Bonds, 2020 Election, 2024 Series C

Members of the Board:

We have acted as bond counsel for the Goleta Union School District (Santa Barbara County, California) (the "District"), in connection with the issuance by the District of $_____________ aggregate principal amount of the District's General Obligation Bonds, 2020 Election, 2024 Series C (the "Series C Bonds"). The Series C Bonds are issued pursuant to the Government Code of the State of California (commencing at Section 53506), as amended, applicable provisions of the Education Code of the State and that certain resolution adopted by the Board of Trustees of the District on October 9, 2024 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Series C Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and Santa Barbara County (the "County") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Series C Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Series C Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Series C

Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Series C Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series C Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series C Bonds constitute valid and binding general obligations of the District.

2. The Series C Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

3. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. Interest on the Series C Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

5. Interest on the Series C Bonds is exempt from personal income taxes of the State of California.

Bondholders should note that interest on the Series C Bonds is not a preference item for purposes of the alternative minimum tax imposed on individuals but is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. Ownership of tax-exempt obligations such as the Series C Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Series C Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Series C Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Dannis Woliver Kelley

Governing Board
Goleta Union School District
401 North Fairview Avenue
Goleta, California 93117

FINAL OPINION: $______________ Goleta Union School District
(Santa Barbara County, California) 2024 General Obligation Refunding Bonds

Members of the Board:

We have acted as bond counsel for the Goleta Union School District (Santa Barbara County, California) (the "District"), in connection with the issuance by the District of $______________ aggregate principal amount of the District's 2024 General Obligation Refunding Bonds (the "Refunding Bonds"). The Refunding Bonds are issued pursuant to the Government Code of the State of California (commencing at Section 53550), and that certain resolution adopted by the Board of Trustees of the District on October 9, 2024 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Refunding Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and Santa Barbara County (the "County") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Refunding Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Refunding Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Refunding Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Refunding Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Refunding Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Refunding Bonds constitute valid and binding general obligations of the District.

2. The Refunding Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

3. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. Interest on the Refunding Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

5. Interest on the Refunding Bonds is exempt from personal income taxes of the State of California.

Bondholders should note that interest on the Refunding Bonds is not a preference item for purposes of the alternative minimum tax imposed on individuals but is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. Ownership of tax-exempt obligations such as the Refunding Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Refunding Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Refunding Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Dannis Woliver Kelley

APPENDIX B

GOLETA UNION SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023

[THIS PAGE INTENTIONALLY LEFT BLANK]

GOLETA UNION SCHOOL DISTRICT
OF SANTA BARBARA COUNTY
GOLETA, CALIFORNIA

AUDIT REPORT
June 30, 2023

GOLETA UNION SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2023

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION SECTION

SUPPLEMENTARY INFORMATION SECTION (Continued)

FINDINGS AND RECOMMENDATIONS SECTION

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 and 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.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

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 February 2, 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, Levy & Hartzheim LLP

Santa Maria, California
February 2, 2024

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, 2023 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 2022-23 fiscal year moved through year number three of the pandemic and the overall economy in California and locally appears to be rebounding well from the pandemic shut down. While consumer prices and inflation has risen significantly, revenues at the state level from the Big Three Taxes (personal income, sales and use, and corporate income) continue to exceed expectations.

As a Community Funded District, GUSD relies heavily on local property taxes which are driven by the local economy and housing market. Revenues from local property taxes in 2022-23 grew by 6.58%. Projections in growth included in the original budget for 2022-23 was 5.5%.

The 2023-24 First Interim Report with data through October 2023 projects a deficit of $2.58 million in the General Fund and is prior to any negotiated settlements with the GUSD bargaining unions. The final net impact in the General Fund for the 2022-23 school year is a deficit of $2,134,926. This deficit resulted in a considerable draw on the GUSD General Fund Reserve. Budget planning for 2023-24 resulted in $1.5 million in budget reductions with additional reductions proposed for 2024-25. GUSD will carefully manage spending in an effort to eliminate the operating deficit and restore the reserve in the General Fund.

Total revenues in the District General Fund reached $74,271,049. Total expenditures in the District General Fund for 2022-23 were $75,876,403.

General Fund Balance at the end of the 2022-23 fiscal year totaled $12,243,109 of which $3,525,451 is restricted. The amount set aside for the required 3 percent Reserve for Economic Uncertainties is $2,292,933. The total available fund balance reserve is $8,695-550, which represents a 11.38% percent reserve in the General Fund at the end of 2022-23.

THE DISTRICT AS A WHOLE

Net Position

The District's net position (deficit) was $(12,376,043) for the fiscal year ended June 30, 2023. Of this amount, $(41,393,594) 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	
	2023	2022
Assets		
Current and other assets	$ 60,604,286	$ 31,526,236
Capital assets and right of use leased assets, net	28,760,012	24,773,138
Total assets	89,364,298	56,299,374
Deferred outflows of resources	24,374,001	15,786,476
Liabilities		
Current liabilities	11,833,158	2,959,880
Long-term liabilities other than OPEB and pension	40,197,979	16,606,812
Net other postemployment benefits (OPEB) liability	242,447	288,041
Aggregate net pension liability	66,450,566	38,547,765
Total liabilities	118,724,150	58,402,498
Deferred inflows of resources	7,390,192	27,144,508
Net Position		
Net investment in capital assets	14,841,247	14,441,452
Restricted	14,176,304	10,786,856
Unrestricted (deficit)	(41,393,594)	(38,689,464)
	$ (12,376,043)	$ (13,461,156)

The $(41,393,594) in unrestricted net position (deficit) of all governmental activities represents the accumulated results of all past years' operations. Unrestricted net position deficit decreased by $2,704,130 (6.99%) compared to $(38,689,464). The increase in the total net position deficit is largely due to the larger amount of cash available.

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.

401 North Fairview Avenue • Goleta, CA 93117 • (805) 681-1200

Table 2

	Government Activities	
	2023	2022
Revenues		
Program revenues		
Charges for services and sales	$ 147,035	$ 98,905
Operating grants and contributions	16,084,559	16,303,431
General revenues		
Federal and State aid not restricted	4,057,165	4,011,141
Property taxes	54,844,924	51,912,778
Other general revenues	3,232,645	3,060,039
Total revenues	78,366,328	75,386,294
Expenses		
Instruction-related	53,626,340	47,062,187
Pupil services	7,189,890	6,218,867
Administration	4,898,267	6,293,364
Plant services	6,791,431	6,288,767
All other services	4,775,287	2,002,963
Total expenses	77,281,215	67,866,148
Change in net position	1,085,113	$ 7,520,146

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was $77,281,215. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $61,049,621 because the cost was paid by those who benefited from the programs ($147,035) or by other governments and organizations who subsidized certain programs with grants and contributions ($16,084,559). We paid for the remaining "public benefit" portion of our governmental activities with $7,029,810 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	
	2023	2022	2023	2022
Instruction-related	$ 53,626,340	$ 47,062,187	$ (44,198,197)	$ (36,705,752)
Pupil services	7,189,890	6,218,867	(2,986,143)	(2,188,864)
Administration	4,898,267	6,293,364	(4,793,031)	(6,163,697)
Plant services	6,791,431	6,288,767	(6,650,588)	(5,893,620)
All other services	4,775,287	2,002,963	(2,421,662)	(511,879)
Total	$ 77,281,215	$ 67,866,148	$ (61,049,621)	$ (51,463,812)

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $53,443,940, which is an increase of $24,726,616, or 86.1% from last year. (Table 4)

Table 4

	Balances and Activity			
Governmental Fund	July 1, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2023
General Fund	$ 14,378,034	$ 74,296,160	$ 76,431,085	$ 12,243,109
Building Fund	5,282,804	29,445,642	5,001,613	29,726,833
Capital Facilities Fund	654,734	67,348	520,363	201,719
Bond Interest and Redemption Fund	5,050,538	6,295,351	4,332,902	7,012,987
Child Development Fund	23,400	718,449	741,849	
Cafeteria Fund	2,812,746	3,227,721	2,535,875	3,504,592
ASB Fund		581,756	225,541	356,215
Deferred Maintenance Fund	515,068	161,032	277,615	398,485
Total	$ 28,717,324	$ 114,793,459	$ 90,066,843	$ 53,443,940

The General Fund is our principal operating fund. The fund balance in the General Fund decreased $2,134,925 to $12,243,109. This decrease is due to the net effect negotiated increases in Salaries and Benefits along with increases in Property Tax Revenues. $3,525,451 remains Restricted, and $22,108 is Unspendable, leaving an Unassigned Unappropriated Fund Balance of $8,695,550 for a reserve of 15.99%.

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 2022-23. The Federal Government eliminated the free meals program and meal applications were required for 2022-23. The State of California, however, wanted to make sure that healthy meals remained free for all students, so they supplemented 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 $116,583 to $398,485 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 an increase in activity during 2022-23. 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. These projects were considered work in progress at fiscal year-end as they were not completed by June 30, 2023.

Our Capital Facilities Fund decreased $453,016 to $201,719 due to a reduction in Developer Fee Revenue and expenditures for the design and delivery of relocatable buildings at La Patera and planning for buildings at El Camino School during 2022-23. 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 28, 2023. (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.

Some of the variations between the original and final budget amounts and between the final budget and actual result are explained below:

Revenue revisions made to the 2022-2023 Budget for Local Control Funding Formula revenues were due to increases in actual property taxes received. Original estimates were conservative as actual growth is not known as the Original Budget is Adopted. Final budget adjustments included unanticipated revenues received from the Goleta Redevelopment Agency above and beyond projections.

The increase in state revenues resulted from the reinstatement of one-time block grants. The 2022-23 State Budget established two block grants that would provide districts with much needed one-time funds to help smooth the transition out of the COVID pandemic. The Arts, Music, and Instructional Materials Block grant allocated $2,112,653 to GUSD and the Learning Recovery Emergency Block Grant allocation of $3,194,985 for a total $5,309,238 in one-time funds for 2022-23. GUSD has received $4,251,312 to date. The Governor proposed making up for state budget shortfalls by taking back an amount approximately $2,251,311. We originally planned for the reduction in revenue, but the final budget approved by the state legislature and signed by the Governor included restoration of approximately 94% of the amount proposed take back.

Budgeted expenditures increased overall due to the 5.5% increase to salaries and benefits negotiated with both GUSD bargaining units as well as spending down the balances of COVID relief funds and other restricted accounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2023, the District had $28,760,012 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 $3,986,874, or 16.1% from last year (Table 5).

Table 5

	Governmental Activities	
	2023	2022
Land and construction in progress	$ 6,408,937	$ 1,497,209
Land improvements, building and improvements	21,496,971	22,259,904
Furniture and equipment	793,397	939,482
Right-to-use leased assets	60,707	76,543
Total	$ 28,760,012	$ 24,773,138

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 $44,550,565 in long-term liabilities other than OPEB and Pension outstanding versus $16,606,812 last year, an increase of $27,943,753, or 68%. Those obligations consisted of:

Table 6

	Governmental Activities	
	2023	2022
Long-Term Liabilities		
General obligation bonds	$ 41,445,000	$ 15,075,000
Unamortized debt premium	2,469,981	790,025
Financing arrangement	161,385	247,315
Lease	56,614	68,532
Compensated absences	417,585	425,940
Total	$ 44,550,565	$ 16,606,812

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 $242,447 versus $288,041 last year, a decrease of $45,594, or 15.83%.

In addition, at year-end, the District had an aggregate net pension liability of $66,450,566 versus $38,547,765 last year, an increase of $27,902,801, or 72.4%.

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 2022-2023 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. While learning loss mitigation was a significant focus coming out of the COVID 19 shutdown, efforts have also focused on literacy, mental health of students and staff, diversity, equity and inclusion and maintaining the high standard of well-rounded instruction. A pilot program was extended to re-establish STEAM, art, and music instruction by hiring Content Specialists to provide direct instruction in those areas across all nine GUSD schools. 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 and offered a one week Thrive program during the 2023 Winter Break. Both programs service hundreds of GUSD students after school, during intersession 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 2023-2024 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 six percent for 2023-24 due to a 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 and Services and Supplies accounts are increased incrementally each year to account for inflation and other factors.

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.

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets	
Cash in county treasury	$ 57,420,128
Cash on hand and in banks	66,523
Revolving cash fund	7,862
Accounts receivable	3,020,322
Inventories, at cost	72,343
Prepaid expenses	17,108
Right to use asset	79,182
Less accumulated amortization	(18,475)
Land	1,437,060
Construction in progress	4,971,877
Buildings and improvements	49,274,010
Equipment	4,859,364
Less accumulated depreciation	(31,843,006)
Total assets	89,364,298
Deferred Outflows of Resources	
Deferred loss on refunding	487,382
Pensions	23,886,619
Total deferred outflows of resources	24,374,001
Liabilities	
Accounts payable	6,093,271
Due to grantor government	460,078
Interest payable	378,422
Unearned revenue	548,801
Long-term liabilities:	
Long-term liabilities other than OPEB and pensions due within one year	4,352,586
Long-term liabilities other than OPEB and pensions due in more than one year	40,197,979
Net other postemployment benefits (OPEB) liability	242,447
Net pension liability	66,450,566
Total liabilities	118,724,150
Deferred Inflows of Resources	
Pensions	7,390,192
Total deferred inflows or resources	7,390,192
Net Position	
Net investment in capital assets	14,841,247
Restricted for:	
Debt service	6,634,565
Educational programs	2,878,296
Capital projects	201,719
Nutrition	4,105,509
ASB	356,215
Unrestricted	(41,393,594)
Total net position	$ (12,376,043)

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	$ 45,931,201	$ 54,940	$ 7,792,907	$ -
Instruction-related services:				
Instructional supervision and administration	1,974,213	3,614	832,182	
Instructional library, media, and technology	628,734			
School site administration	5,092,192	5	744,495	
Pupil services:				
Home-to-school transportation	1,722,917	74	4,792	
Food services	2,418,914		3,868,261	
All other pupil services	3,048,059	7,868	322,752	
General administration:				
All other general administration	4,898,267	1,230	104,006	
Plant services	6,791,431	34,302	106,541	
Ancillary services	1,816,840		1,735,143	
Community services	634,216	40,050	487,931	
Interest on long-term debt	765,684			
Other outgo	310,379	4,952	85,549	
Amortization (unallocated)	15,836			
Depreciation (unallocated)	1,232,332			
Total governmental activities	$ 77,281,215	$ 147,035	$ 16,084,559	$ -

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.

Net (Expense) Revenue and Changes in Net Position
$ (38,083,354)
(1,138,417)
(628,734)
(4,347,692)
(1,718,051)
1,449,347
(2,717,439)
(4,793,031)
(6,650,588)
(81,697)
(106,235)
(765,684)
(219,878)
(15,836)
(1,232,332)
(61,049,621)
50,434,150
4,410,774
4,057,165
(169,804)
252,613
3,149,836
62,134,734
1,085,113
(13,461,156)
$ (12,376,043)

GOLETA UNION SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Building Fund
ASSETS:		
Cash in County Treasury	$ 12,993,275	$ 33,239,718
Cash on Hand and in Banks	66,258	-
Cash in Revolving Fund	5,000	-
Accounts Receivable	2,041,695	185,986
Due from Other Funds	295,034	649
Stores Inventories	-	-
Prepaid Expenditures	17,108	-
Total Assets	$ 15,418,370	$ 33,426,353
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	$ 2,261,142	$ 3,699,520
Due to Grantor Governments	460,078	-
Due to Other Funds	-	-
Deferred Revenue	454,041	-
Total Liabilities	3,175,261	3,699,520
Fund Balances:		
Nonspendable	22,108	-
Restricted	3,525,451	29,726,833
Assigned	-	-
Unassigned	8,695,550	-
Total Fund Balances	12,243,109	29,726,833
Total Liabilities and Fund Balances	$ 15,420,748	$ 33,426,353

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
$ 6,977,418	$ 4,175,484	$ 57,385,895
-	265	66,523
-	2,862	7,862
35,569	757,072	3,020,322
-	8,976	304,659
-	43,376	43,376
-	-	17,108
$ 7,012,987	$ 4,988,035	$ 60,845,745
$ -	$ 127,841	$ 6,088,503
-	-	460,078
-	304,423	304,423
-	94,760	548,801
-	527,024	7,401,805
-	46,238	68,346
7,012,987	4,016,288	44,281,559
-	398,485	398,485
-	-	8,695,550
7,012,987	4,461,011	53,443,940
$ 7,012,987	$ 4,988,035	$ 60,845,745

THIS PAGE INTENTIONALLY LEFT BLANK.

GOLETA UNION SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds		$ 53,443,940
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	$ 60,542,311	
Accumulated depreciation	(31,843,006)	
Lease assets at historical cost	79,182	
Accumulated amortization	(18,475)	
Net		28,760,012
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	$ 41,445,000	
Unamortized bond premium	2,469,981	
Lease payable	56,614	
Financing arrangements	161,385	
Compensated absences payable	417,585	
Net pension liability	66,450,566	
Net OPEB liability	242,447	
		(111,243,578)
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.		(378,422)
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	$ (7,390,192)	
Deferred outflows of resources relating to pensions	23,886,619	16,496,427
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.		58,196
In governmental funds, loss on refunding is recognized as expenditures in the period they are incurred. In the government-wide statements, loss on refunding, is amortized over the life of the debt.		487,382
Total net position - governmental activities		$ (12,376,043)

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, 2023

	General Fund	Building Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	$ 2,278,858	$ -
Education Protection Account Funds	683,054	-
Local Sources	50,407,172	-
Federal Revenue	2,172,189	-
Other State Revenue	12,859,663	-
Other Local Revenue	5,870,113	(554,358)
Total Revenues	74,271,049	(554,358)
Expenditures:		
Current:		
Instruction	49,626,076	-
Instruction - Related Services	7,990,074	-
Pupil Services	5,078,027	-
Ancillary Services	1,603,080	-
Community Services	88,861	-
General Administration	4,850,896	-
Plant Services	6,242,353	193,079
Other Outgo	130,379	234,921
Capital Outlay	155,611	4,573,613
Debt Service:		
Principal	89,461	-
Interest	21,585	-
Total Expenditures	75,876,403	5,001,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,605,354)	(5,555,971)
Other Financing Sources (Uses):		
Transfers In	-	-
Transfers Out	(554,682)	-
Proceeds From Sale of Bonds	-	30,000,000
Other Sources	25,111	-
Total Other Financing Sources (Uses)	(529,571)	30,000,000
Net Change in Fund Balances	(2,134,925)	24,444,029
Fund Balances, July 1	14,378,034	5,282,804
Fund Balances, June 30	$ 12,243,109	$ 29,726,833

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,278,858
-	-	683,054
-	-	50,407,172
-	1,369,741	3,541,930
13,997	2,470,471	15,344,131
4,410,017	361,412	10,087,184
4,424,014	4,201,624	82,342,329
-	-	49,626,076
-	136,189	8,126,263
-	2,403,117	7,481,144
-	225,541	1,828,621
-	563,912	652,773
-	133,621	4,984,517
-	333,045	6,768,477
-	-	365,300
-	505,818	5,235,042
3,630,000	-	3,719,461
702,902	-	724,487
4,332,902	4,301,243	89,512,161
91,112	(99,619)	(7,169,832)
-	554,682	554,682
-	-	(554,682)
1,871,337	-	31,871,337
-	-	25,111
1,871,337	554,682	31,896,448
1,962,449	455,063	24,726,616
5,050,538	4,005,948	28,717,324
$ 7,012,987	$ 4,461,011	$ 53,443,940

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, 2023

Total net change in fund balances - governmental funds	$ 24,726,616
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 $5,235,042 is less than depreciation expense of ($1,232,332) and amortization expense of $(15,836) in the period.	3,986,874
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:	(161,964)
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 $8,355.	8,355
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:	45,594
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:	191,381
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:	518,039
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:	3,727,848
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.	(7,293)
In governmental funds, loss on refunding is recognized as expenditures in the period they are incurred. In the government-wide financial statements, loss of funding costs is amortized over the life of the debt. Amortization for the period was:	(79,000)
In governmental funds, proceeds from debt are recognized as Other Financial Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were:	(31,871,337)
Change in net position - governmental activities	$ 1,085,113

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Internal Service Fund
	Warehouse Revolving Fund
ASSETS:	
Current Assets:	
Cash in County Treasury	$ 34,233
Store Inventories	28,967
Total Current Assets	63,200
Total Assets	63,200
LIABILITIES:	
Current Liabilities:	
Accounts Payable	4,768
Due to Other Funds	236
Total Current Liabilities	5,004
Total Liabilities	5,004
NET POSITION:	
Unrestricted (Deficit)	58,196
Total Net Position	$ 58,196

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Internal Service Fund
	Warehouse Revolving Fund
Operating Revenues:	
Local Revenue	$ 226,382
Total Revenues	226,382
Operating Expenses:	
Books and Supplies	233,675
Total Expenses	233,675
Change in Net Position	(7,293)
Total Net Position - Beginning	65,489
Total Net Position - Ending	$ 58,196

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, 2023

	Internal Service Fund Warehouse Revolving Fund
Cash Flows from Operating Activities:	
Cash received for services	$ 227,561
Cash paid for supplies	(253,880)
Net cash provided by operating activities	(26,319)
Cash Flows from Investing Activities:	
Interest income	(1,179)
Net increase in cash and cash equivalents	(27,498)
Cash and cash equivalents at July 1, 2022	61,731
Cash and cash equivalents at June 30, 2023	$ 34,233

Reconciliation of Operating Income to Net Cash
Provided by Operating Activities

Operating income (loss)	$ (6,114)
Change in assets and liabilities	
Stores inventories	(11,438)
Accounts payable	(8,768)
Due to other funds	1
Net cash provided by operating activities	$ (26,319)

The accompanying notes are an integral part of this statement.

GOLETA UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

		Custodial Funds
ASSETS:		
Cash in County Treasury	$	112,821
Cash in Bank		58,726
Total Assets	$	171,547
LIABILITIES:		
Accounts Payable		112,821
Due to employees		58,726
Total Liabilities	$	171,547

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, 2023

	Custodial Funds
Additions:	
Contributions	
Federal sources	$ 20,757,909
State sources	46,730,482
Interest	14
Total contributions	67,488,405
Deductions:	
Pass-thru to Special Education Local Plan Area (SELPA)	67,488,405
Net Increase (Decrease) in Fiduciary Net Position	
Net position, July 1, 2022	
Net position, June 30, 2023	$ -

The accompanying notes are an integral part of this statement.

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.

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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:

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.

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. 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 obligations 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

J. Future Accounting Pronouncements

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

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 2 - CASH AND INVESTMENTS

The District's cash and investments at June 30, 2023, consisted of the following:

Cash in County Treasury	$ 57,532,949
Cash on hand and in banks	125,249
Cash in revolving fund	7,862
Total cash and investments	$ 57,666,060

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

Statement of net position:	
Cash in County Treasury	$ 57,420,128
Cash in revolving fund	7,862
Cash on hand and in banks	66,523
Statement of fiduciary assets and liabilities:	
Cash in County Treasury	112,821
Cash in bank	58,726
Total cash and investments	$ 57,666,060

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 ($57,532,949 as of June 30, 2023). The fair value of this pool as of that date, as provided by the plan sponsor, was $57,532,949. 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 ($125,249 as of June 30, 2023) and in the revolving fund ($7,862) 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:

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months	More Than 60 Months
Santa Barbara County Investment Pool	$ 57,532,949	$ 57,532,949	$ -	$ -	$ -
Total	$ 57,532,949	$ 57,532,949	$ -	$ -	$ -

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.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
Santa Barbara County Investment Pool	$ 57,532,949	N/A	$ -	$ -	$ -	$ 57,532,949
Total	$ 57,532,949		$ -	$ -	$ -	$ 57,532,949

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, 2023, 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.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2023, 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	$ 969,253	$ -	$ -	$ 231,305	$ -	$ -
State Government:						
Categorical aid programs	228,093			465,085		
Lottery	206,901					
Local Sources:						
Interest	95,935	185,986	35,569	21,650		
Goleta Ed Foundation	37,606					
After care program	257,523					
Miscellaneous	246,384			39,032		
Totals	$ 2,041,695	$ 185,986	$ 35,569	$ 757,072	$ -	$ -

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, 2023, are as follows:

Fund	Interfund Receivables	Interfund Payables
Major Fund:		
General Fund	$ 295,034	$ -
Building Fund	649	
Nonmajor Funds:		
ASB Fund	1,656	
Child Development Fund		195,519
Cafeteria Fund		108,904
Deferred Maintenance Fund	7,320	
Proprietary Fund:		
Internal Service Fund		236
Totals	$ 304,659	$ 304,659

Interfund Transfers

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

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

Interfund transfers for the 2022-2023 fiscal year, are as follows:

Fund	Transfers In	Transfers Out
Major Fund:		
General Fund	$ -	$ 554,682
Nonmajor Fund:		
ASB Fund	404,682	
Deferred Maintenance Fund	150,000	
Totals	$ 554,682	$ 554,682

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the fiscal year ended June 30, 2023, is shown below:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	$ 1,437,060	$ -	$ -	$ 1,437,060
Construction in progress	60,149	4,942,708	30,980	4,971,877
Total capital assets, not being depreciated	$ 1,497,209	$ 4,942,708	$ 30,980	$ 6,408,937
Capital assets, being depreciated:				
Buildings and improvements	$ 49,016,692	$ 257,318	$ -	$ 49,274,010
Equipment	4,793,368	65,996		4,859,364
Total capital assets, being depreciated	53,810,060	323,314		54,133,374
Less accumulated depreciations				
Buildings and improvements	26,756,788	1,020,251		27,777,039
Equipment	3,853,886	212,081		4,065,967
Total accumulated depreciation	30,610,674	1,232,332		31,843,006
Total capital assets, being depreciated, net	$ 23,199,386	$ (909,018)	$ -	$ 22,290,368
Net capital assets	$ 24,696,595	$ 4,033,690	$ 30,980	$ 28,699,305

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Unallocated	$ 1,232,332
Total Depreciation Expense	$ 1,232,332

NOTE 7 - RIGHT TO USE ASSET

Right to use asset activity for the District for the fiscal year ended June 30, 2023, is shown below:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Right to use assets				
Vehicle	$ 79,182	$ -	$ -	$ 79,182
Total right to use assets	$ 79,182	$ -	$ -	$ 79,182
Less accumulated amortization for:				
Vehicle	$ 2,639	$ 15,836	$ -	$ 18,475
Total accumulated amortization	2,639	15,836		18,475
Right to use assets, net	$ 76,543	$ (15,836)	$ -	$ 60,707

NOTE 8 - BONDED DEBT

The outstanding general obligation bonded debt of the Goleta Union School District at June 30, 2023, is:

Date of Issue	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2022	Issued	Redeemed	Bonds Outstanding June 30, 2023
Current Interest:							
July 2013	August 2029	2.00-5.00%	$ 17,650,000	$ 9,375,000	$ -	$ 1,230,000	$ 8,145,000
May 2021	August 2024	1.00-1.50%	5,700,000	5,700,000	-	2,400,000	3,300,000
Nov 2022	August 2027	4.00-5.00%			30,000,000		30,000,000
			$ 23,350,000	$ 15,075,000	$ 30,000,000	$ 3,630,000	$ 41,445,000

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 an pay costs of issuance for the bonds. At June 30, 2023, the principal balance outstanding was $8,145,000, and the remaining unamortized premium was $608,147. Deferred loss on the refunding amounted to $487,382.

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, 2023, the principal balance outstanding was $3,300,000, and the remaining unamortized premium was $43,317.

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 $1,818,517.

The annual requirements to amortize general obligation bonds payable outstanding as of June 30, 2023, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2024	$ 3,980,000	$ 1,823,769	$ 5,803,769
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
2029-2033	3,300,000	6,106,515	9,406,515
2034-2038	4,610,000	5,236,865	9,846,865
2039-2043	7,745,000	3,927,971	11,672,971
2044-2048	12,055,000	1,684,021	13,739,021
	$ 41,445,000	$ 24,843,338	$ 66,288,338

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
2024	$ 88,844	$ 5,473	$ 94,317
2025	72,541	2,459	75,000
	$ 161,385	$ 7,932	$ 169,317

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.

NOTE 10 – LEASE PAYABLE (Continued)

The remaining principal and interest payment requirements for the lease payable as of June 30, 2023 is as follows:

Fiscal Year Ended June 30	Principal	Interest to Maturity	Total
2024	$ 12,873	$ 3,926	$ 16,799
2025	13,904	2,985	16,889
2026	15,017	1,782	16,799
2027	14,820	579	15,399
	$ 56,614	$ 9,272	$ 65,886

NOTE 11 - DEFERRED OUTFLOWS OF RESOURCES – DEBT REFUNDING

At June 30, 2023, deferred outflows of resources, relating to debt refunding, reported in the statement of net position, consisted of the following:

	Governmental Activities
Deferred loss on refunding	$ 487,382
	$ 487,382

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, 2023, the District reported a liability of $242,447 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2022, the District's proportion was .0736%, which was an increase of .0014% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of $(26,199).

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

Actuarial Assumptions

The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the June 30, 2022 total OPEB liability, based on the following actuarial methods and assumptions:

Discount Rate	3.54%
Investment Rate of Return	3.54%
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, 2022 actuarial, the discount rate was increased from 2.16 percent to 3.54 percent.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54 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, 2022, 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, 2022:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
District's proportionate share of the net OPEB liability	$ 264,313	$ 242,447	$ 223,513

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, 2022:

	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	$ 222,454	$ 242,447	$ 265,110

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, 2022, 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, 2023, the District had no amount outstanding for contributions to the OPEB plan required for the fiscal year ended June 30, 2023.

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.

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, 2023, 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, 2023, the contributions recognized as part of pension expense were as follows:

Contribution-employer	$ 4,937,935
Contribution-State	$ 2,728,846

At June 30, 2023, 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	$ 33,967,860
State's proportionate share of the net pension liability associated with the District	19,383,643
Total	$ 53,351,503

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2022, the District's proportion was .0489%, which increased by .0009% from its proportion measured as of June 30, 2021.

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, 2023, the District recognized pension expense of $3,091,763. At June 30, 2023, 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	$ 27,863	$ 2,546,400
Changes of assumptions	1,683,260	
Net difference between projected and actual earning on pension plan investments		1,662,128
Changes in proportion and differences between District contributions and proportionate share of contributions	2,332,059	2,227,503
District contributions subsequent to the measurement date	5,613,012	
Total	$ 9,656,194	$ 6,436,031

$5,613,012 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, 2024. 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
2024	$ (260,692)
2025	(1,599,457)
2026	(2,204,157)
2027	2,513,990
2028	(498,780)
2029	(343,753)

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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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
Global Equity	42 %	4.80 %
Private Equity	13 %	6.30 %
Real Estate	15 %	3.60 %
Inflation Sensitive	6 %	3.30 %
Fixed Income	12 %	1.30 %
Cash/Liquidity	2 %	-0.40 %
Absolute Return	10 %	1.80 %
	100 %	

*10-year geometric average

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	$	57,690,024
Current Discount Rate		7.10%
Net Pension Liability	$	33,967,860
1% Increase		8.10%
Net Pension Liability	$	14,271,331

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, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

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.

NOTE 13 - PENSION PLANS (Continued)

California Public Employees' Retirement System (CalPERS)

A. General Information About the Pension Plan (Continued)

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

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 the death of eligible members.

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, 2023, 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	25.370%	25.370%

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, 2023, the contribution recognized as part of pension expense was as follows:

Contribution – employer	$ 3,330,414

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, 2023, the District reported net pension liability for its proportionate shares of the net pension liability was $32,482,706.

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2022, the District's proportion was .0944%, which increased by .0123% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of $5,406,935. At June 30, 2023, 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	$ 146,803	$ 808,211
Changes of assumptions	2,402,886	
Net difference between projected and actual earning on pension plan investments	3,835,325	
Changes in proportion and differences between District contributions and proportionate share of contributions	3,166,076	145,950
District contributions subsequent to the measurement date	4,679,335	
	$ 14,230,425	$ 954,161

$4,679,335 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, 2024. 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
2024	$ 2,395,860
2025	2,288,729
2026	1,573,693
2027	2,338,647

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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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

Change in Assumptions

For the measurement date of June 30, 2022, the discount rate was lowered from 7.15% to 6.90% and the inflation rate was decreased from 2.50% to 2.30%.

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.

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:

Asset Class	New Strategic Allocation	Expected Real Rate of Return Years 1-10(a)(b)
Global Equity - cap weighted	30%	4.45%
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%
Total	100.0%	

(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	$	46,922,913
Current Discount Rate		6.90%
Net Pension Liability	$	32,482,706
1% Increase		7.90%
Net Pension Liability	$	20,548,405

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, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 14 - LONG-TERM LIABILITIES – SCHEDULE OF CHANGES

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023, is shown below:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Bonds payable	$ 15,075,000	$ 30,000,000	$ 3,630,000	$ 41,445,000	$ 3,980,000
Bond premium	790,025	1,871,337	191,381	2,469,981	229,110
Compensated absences	425,940	585,826	594,181	417,585	41,759
Financing Agreement	247,315		85,930	161,385	88,844
Lease	68,532		11,918	56,614	12,873
Net pension liability	38,547,765	27,902,801		66,450,566	
Net OPEB liability	288,041		45,594	242,447	
Totals	$ 55,442,618	$ 60,359,964	$ 4,559,004	$ 111,243,578	$ 4,352,586

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	$ 5,000	$ -	$ -	$ 2,862	$ 7,862
Stores inventory				43,376	43,376
Prepaid Expenditures	17,108				17,108
Restricted					
Legally restricted programs	2,878,296				2,878,296
Food service	647,155			3,458,354	4,105,509
Capital projects		29,726,833		201,719	29,928,552
ASB				356,215	356,215
Debt service			7,012,987		7,012,987
Assigned					
Deferred maintenance				398,485	398,485
Unassigned					
Remaining unassigned	8,695,550				8,695,550
Total	$12,243,109	$ 29,726,833	$ 7,012,987	$ 4,461,011	$53,443,940

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, 2023, the District had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment
La Patera Relocatable	$ 335,700
El Camino Relocatable	373,902
Brandon Roof & HVAC	134,020
El Camino Pavement	433,679
Ellwood HVAC & Roof	2,364,189
IV Roof & HVAC	136,911
La Patera Roof & HVAC	2,139,909
Mt View Pavement	423,891
Total	$ 6,342,201

THIS PAGE INTENTIONALLY LEFT BLANK.

REQUIRED SUPPLEMENTARY INFORMATION

GOLETA UNION SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 2,278,858	$ 2,278,858	$ 2,278,858	$ -
Education Protection Account Funds	678,701	683,056	683,054	(2)
Local Sources	49,972,363	50,812,849	50,407,172	(405,677)
Federal Revenue	1,773,026	2,156,648	2,172,189	15,541
Other State Revenue	9,023,112	10,961,787	12,859,663	1,897,876
Other Local Revenue	7,333,458	6,248,203	5,870,113	(378,090)
Total Revenues	71,059,518	73,141,401	74,271,049	1,129,648
Expenditures:				
Current:				
Certificated Salaries	27,439,103	29,297,566	29,250,369	47,197
Classified Salaries	16,260,671	19,996,865	19,996,863	2
Employee Benefits	16,729,522	18,146,224	18,146,236	(12)
Books And Supplies	3,179,181	3,867,347	2,922,547	944,800
Services And Other Operating Expenditures	4,306,281	5,918,559	5,296,974	621,585
Other Outgo	163,443	187,227	130,379	56,848
Direct Support/Indirect Costs	-	(34,481)	(133,622)	99,141
Capital Outlay	228,500	448,612	155,611	293,001
Debt Service:				
Principal	94,317	96,207	97,848	(1,641)
Interest	-	8,300	13,198	(4,898)
Total Expenditures	68,401,018	77,932,426	75,876,403	2,056,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,658,500	(4,791,025)	(1,605,354)	3,185,671
Other Financing Sources (Uses):				
Transfers Out	(350,000)	(554,682)	(554,682)	-
Other Sources	-	-	25,111	25,111
Total Other Financing Sources (Uses)	(350,000)	(554,682)	(529,571)	25,111
Net Change in Fund Balance	2,308,500	(5,345,707)	(2,134,925)	3,210,782
Fund Balance, July 1	14,378,034	14,378,034	14,378,034	-
Fund Balance, June 30	$ 16,686,534	$ 9,032,327	$ 12,243,109	$ 3,210,782

GOLETA UNION SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020	2019
Proportion of the net pension liability	.0944 %	.0821 %	.0777 %	.0768 %	.0746 %
Proportionate share of the net pension liability	$ 32,482,706	$ 16,684,699	$ 23,845,168	$ 22,392,239	$ 19,895,351
Covered payroll	$ 14,536,945	$ 11,779,406	$ 11,226,784	$ 10,550,055	$ 9,847,724
Proportionate share of the net pension liability as percentage of covered payroll	223.45 %	141.64 %	212.40 %	212.25 %	202.03 %
Plan's total pension liability	$ 113,794,594,060	$ 106,857,487,903	$ 102,289,672,089	$ 97,300,991,939	$ 91,459,283,785
Plan's fiduciary net position	$ 79,385,508,859	$ 86,523,055,855	$ 71,606,596,106	$ 68,156,740,617	$ 64,796,135,561
Plan fiduciary net position as a percentage of the total pension liability	69.76 %	80.97 %	70.00 %	70.05 %	70.85 %

	2018	2017	2016	2015
Proportion of the net pension liability	.0703 %	.0716 %	.0774 %	.0774 %
Proportionate share of the net pension liability	$ 16,776,727	$ 14,141,619	$ 11,403,925	$ 8,793,441
Covered payroll	$ 8,961,362	$ 8,579,345	$ 8,607,969	$ 8,080,065
Proportionate share of the net pension liability as percentage of covered payroll	187.21 %	164.83 %	132.48 %	108.83 %
Plan's total pension liability	$ 84,871,025,628	$ 75,663,026,434	$ 71,651,164,353	$ 68,292,799,349
Plan's fiduciary net position	$ 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	71.87 %	73.90 %	79.43 %	83.38 %

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

Notes to Schedule

For fiscal year ending June 30, 2023, the discount rate was lowered from 7.15% to 6.90% and the inflation rate was decreased from 2.50% to 2.30%.

GOLETA UNION SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020	2019
Proportion of the net pension liability	.0489 %	.0480 %	.0466 %	.0451 %	.0428 %
Proportionate share of the net pension liability	$ 33,967,860	$ 21,863,066	$ 45,121,328	$ 40,745,052	$ 39,362,648
State's proportionate share of net pension liability associated with the District	19,383,643	11,000,647	23,260,050	22,229,146	22,536,957
Total	$ 53,351,503	$ 32,863,713	$ 68,381,378	$ 62,974,198	$ 61,899,605
Covered payroll	$ 29,184,013	$ 25,946,520	$ 25,280,374	$ 24,029,177	$ 23,293,472
Proportionate share of the net pension liability as percentage of covered payroll	116.39 %	84.26 %	178.48 %	169.56 %	168.99 %
Plan's total pension liability	$ 369,543,996,000	$ 355,802,665,000	$ 343,894,793,000	$ 329,179,470,000	$ 316,777,450,000
Plan's fiduciary net position	$ 300,056,284,995	$ 310,293,452,995	$ 246,983,743,955	$ 238,861,887,995	$ 224,868,634,995
Plan fiduciary net position as a percentage of the total pension liability	81.20 %	87.21 %	71.82 %	72.56 %	70.99 %

	2018	2017	2016	2015
Proportion of the net pension liability	.0433 %	.0450 %	.0480 %	.0450 %
Proportionate share of the net pension liability	$ 40,035,990	$ 36,394,148	$ 32,285,352	$ 25,671,298
State's proportionate share of net pension liability associated with the District	23,684,954	20,718,539	17,075,415	14,119,214
Total	$ 63,720,944	$ 57,112,687	$ 49,360,767	$ 39,790,512
Covered payroll	$ 22,915,334	$ 22,501,920	$ 21,723,547	$ 19,972,752
Proportionate share of the net pension liability as percentage of covered payroll	174.71 %	161.74 %	148.62 %	128.53 %
Plan's total pension liability	$ 302,770,146,000	$ 269,994,690,000	$ 259,146,248,000	$ 248,910,844,000
Plan's fiduciary net position	$ 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	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 assumption for the fiscal year ended June 30, 2023.

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	$ 4,679,335	$ 3,330,414	$ 2,438,337	$ 2,214,034	$ 1,905,551
Contribution in relation to the actuarially determined contributions	(4,679,335)	(3,330,414)	(2,438,337)	(2,214,034)	(1,905,551)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 18,444,363	$ 14,536,945	$ 11,779,406	$ 11,226,784	$ 10,550,055
Contributions as a percentage of covered payroll	25.370 %	22.910 %	20.700 %	19.721 %	18.062 %

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 1,529,450	$ 1,244,554	$ 1,016,395	$ 1,013,244
Contribution in relation to the actuarially determined contributions	(1,529,450)	(1,244,554)	(1,016,395)	(1,013,244)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 9,847,724	$ 8,961,362	$ 8,579,345	$ 8,607,969
Contributions as a percentage of covered payroll	15.531 %	13.888 %	11.847 %	11.771 %

Notes to Schedule

There were no changes in assumption for the fiscal year ended June 30, 2023.

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

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	$ 5,613,012	$ 4,937,935	$ 4,190,363	$ 4,322,944	$ 3,911,950
Contribution in relation to the actuarially determined contributions	(5,613,012)	(4,937,935)	(4,190,363)	(4,322,944)	(3,911,950)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 29,387,497	$ 29,184,013	$ 25,946,520	$ 25,280,374	$ 24,029,177
Contributions as a percentage of covered-employee payroll	19.10 %	16.92 %	16.15 %	17.10 %	16.28 %

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 3,361,248	$ 2,882,749	$ 2,414,456	$ 1,929,051
Contribution in relation to the actuarially determined contributions	(3,361,248)	(2,882,749)	(2,414,456)	(1,929,051)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 23,293,472	$ 22,915,334	$ 22,501,920	$ 21,723,547
Contributions as a percentage of covered-employee payroll	14.43 %	12.58 %	10.73 %	8.88 %

Notes to Schedule

There were no changes in assumption for the fiscal year ended June 30, 2023.

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

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020
District's proportion of the collective liability	.0736 %	.0722 %	.0811 %	.0798 %
District's proportionate share of the collective net OPEB liability	$ 242,447	$ 288,041	$ 297,199	$ 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	-.8078 %	-.8021 %	-.7137 %	-.8039 %

	2019	2018
District's proportion of the collective liability	.0769 %	.0784 %
District's proportionate share of the collective net OPEB liability	$ 294,247	$ 329,734
District's covered payroll	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]
Plan fiduciary net position as a percentage of the total OPEB liability	-.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
*- Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.

SUPPLEMENTARY INFORMATION SECTION

GOLETA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Fund: Capital Facilities Fund	Total Nonmajor Governmental Funds
ASSETS:			
Cash in County Treasury	$ 3,933,792	$ 241,692	$ 4,175,484
Cash on Hand and in Banks	265	-	265
Cash in Revolving Fund	2,862	-	2,862
Accounts Receivable	755,561	1,511	757,072
Due from Other Funds	8,976	-	8,976
Stores Inventories	43,376	-	43,376
Total Assets	$ 4,744,832	$ 243,203	$ 4,988,035
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	$ 86,357	$ 41,484	$ 127,841
Due to Other Funds	304,423	-	304,423
Deferred Revenue	94,760	-	94,760
Total Liabilities	485,540	41,484	527,024
Fund Balances:			
Nonspendable	46,238	-	46,238
Restricted	3,814,569	201,719	4,016,288
Assigned	398,485	-	398,485
Total Fund Balances	4,259,292	201,719	4,461,011
Total Liabilities and Fund Balances	$ 4,744,832	$ 243,203	$ 4,988,035

GOLETA UNION SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Capital Projects Fund	
	Special Revenue Funds	Capital Facilities Fund	Total Nonmajor Governmental Funds
Revenues:			
Federal Revenue	$ 1,369,741	$ -	$ 1,369,741
Other State Revenue	2,470,471	-	2,470,471
Other Local Revenue	294,064	67,348	361,412
Total Revenues	4,134,276	67,348	4,201,624
Expenditures:			
Current:			
Instruction - Related Services	136,189	-	136,189
Pupil Services	2,403,117	-	2,403,117
Ancillary Services	225,541	-	225,541
Community Services	563,912	-	563,912
General Administration	133,621	-	133,621
Plant Services	268,515	64,530	333,045
Capital Outlay	49,985	455,833	505,818
Total Expenditures	3,780,880	520,363	4,301,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	353,396	(453,015)	(99,619)
Other Financing Sources (Uses):			
Transfers In	554,682	-	554,682
Total Other Financing Sources (Uses)	554,682	-	554,682
Net Change in Fund Balances	908,078	(453,015)	455,063
Fund Balances, July 1	3,351,214	654,734	4,005,948
Fund Balances, June 30	$ 4,259,292	$ 201,719	$ 4,461,011

THIS PAGE INTENTIONALLY LEFT BLANK.

GOLETA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	ASB Fund	Child Development Fund
ASSETS:		
Cash in County Treasury	$ 364,451	$ 102,902
Cash on Hand and in Banks	65	-
Cash in Revolving Fund	-	-
Accounts Receivable	3,872	167,148
Due from Other Funds	1,656	-
Stores Inventories	-	-
Total Assets	$ 370,044	$ 270,050
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	$ 13,829	$ 3,634
Due to Other Funds	-	195,519
Deferred Revenue	-	70,897
Total Liabilities	13,829	270,050
Fund Balances:		
Nonspendable	-	-
Restricted	356,215	-
Assigned	-	-
Total Fund Balances	356,215	-
Total Liabilities and Fund Balances	$ 370,044	$ 270,050

Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds
$ 3,059,810	$ 406,629	$ 3,933,792
200	-	265
2,862	-	2,862
583,045	1,496	755,561
-	7,320	8,976
43,376	-	43,376
$ 3,689,293	$ 415,445	$ 4,744,832
$ 51,934	$ 16,960	$ 86,357
108,904	-	304,423
23,863	-	94,760
184,701	16,960	485,540
46,238	-	46,238
3,458,354	-	3,814,569
-	398,485	398,485
3,504,592	398,485	4,259,292
$ 3,689,293	$ 415,445	$ 4,744,832

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, 2023

	ASB Fund	Child Development Fund
Revenues:		
Federal Revenue	$ -	$ -
Other State Revenue	-	679,669
Other Local Revenue	177,074	38,780
Total Revenues	177,074	718,449
Expenditures:		
Current:		
Instruction - Related Services	-	136,189
Pupil Services	-	-
Ancillary Services	225,541	-
Community Services	-	563,912
General Administration	-	41,748
Plant Services	-	-
Capital Outlay	-	-
Total Expenditures	225,541	741,849
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,467)	(23,400)
Other Financing Sources (Uses):		
Transfers In	404,682	-
Total Other Financing Sources (Uses)	404,682	-
Net Change in Fund Balances	356,215	(23,400)
Fund Balances, July 1	-	23,400
Fund Balances, June 30	$ 356,215	$ -

Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds
$ 1,369,741	$ -	$ 1,369,741
1,790,802	-	2,470,471
67,178	11,032	294,064
3,227,721	11,032	4,134,276
-	-	136,189
2,403,117	-	2,403,117
-	-	225,541
-	-	563,912
91,873	-	133,621
-	268,515	268,515
40,885	9,100	49,985
2,535,875	277,615	3,780,880
691,846	(266,583)	353,396
-	150,000	554,682
-	150,000	554,682
691,846	(116,583)	908,078
2,812,746	515,068	3,351,214
$ 3,504,592	$ 398,485	$ 4,259,292

GOLETA UNION SCHOOL DISTRICT
ASB FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 161,128	$ 177,074	$ 15,946
Total Revenues	161,128	177,074	15,946
Expenditures:			
Current:			
Books And Supplies	55,100	22,960	32,140
Services And Other Operating Expenditures	262,000	202,581	59,419
Total Expenditures	317,100	225,541	91,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,972)	(48,467)	107,505
Other Financing Sources (Uses):			
Transfers In	404,682	404,682	-
Total Other Financing Sources (Uses)	404,682	404,682	-
Net Change in Fund Balance	248,710	356,215	107,505
Fund Balance, July 1	-	-	-
Fund Balance, June 30	$ 248,710	$ 356,215	$ 107,505

GOLETA UNION SCHOOL DISTRICT
CHILD DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other State Revenue	$ 614,912	$ 679,669	$ 64,757
Other Local Revenue	24,989	38,780	13,791
Total Revenues	639,901	718,449	78,548
Expenditures:			
Current:			
Certificated Salaries	245,449	245,449	-
Classified Salaries	337,813	193,283	144,530
Employee Benefits	188,730	188,730	-
Books And Supplies	83,926	22,925	61,001
Services And Other Operating Expenditures	49,714	49,714	-
Direct Support/Indirect Costs	41,748	41,748	-
Total Expenditures	947,380	741,849	205,531
Net Change in Fund Balance	(307,479)	(23,400)	284,079
Fund Balance, July 1	23,400	23,400	-
Fund Balance, June 30	$ (284,079)	$ -	$ 284,079

GOLETA UNION SCHOOL DISTRICT
CAFETERIA FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Federal Revenue	$ 1,319,730	$ 1,369,741	$ 50,011
Other State Revenue	1,729,205	1,790,802	61,597
Other Local Revenue	6,500	67,178	60,678
Total Revenues	3,055,435	3,227,721	172,286
Expenditures:			
Current:			
Classified Salaries	1,048,910	1,048,908	2
Employee Benefits	375,962	375,962	-
Books And Supplies	951,078	908,934	42,144
Services And Other Operating Expenditures	91,326	69,313	22,013
Direct Support/Indirect Costs	91,874	91,873	1
Capital Outlay	270,000	40,885	229,115
Total Expenditures	2,829,150	2,535,875	293,275
Net Change in Fund Balance	226,285	691,846	465,561
Fund Balance, July 1	2,812,746	2,812,746	-
Fund Balance, June 30	$ 3,039,031	$ 3,504,592	$ 465,561

GOLETA UNION SCHOOL DISTRICT
DEFERRED MAINTENANCE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 3,500	$ 11,032	$ 7,532
Total Revenues	3,500	11,032	7,532
Expenditures:			
Current:			
Services And Other Operating Expenditures	315,000	268,515	46,485
Capital Outlay	-	9,100	(9,100)
Total Expenditures	315,000	277,615	37,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(311,500)	(266,583)	44,917
Other Financing Sources (Uses):			
Transfers In	150,000	150,000	-
Total Other Financing Sources (Uses)	150,000	150,000	-
Net Change in Fund Balance	(161,500)	(116,583)	44,917
Fund Balance, July 1	515,068	515,068	-
Fund Balance, June 30	$ 353,568	$ 398,485	$ 44,917

GOLETA UNION SCHOOL DISTRICT
CAPITAL FACILITIES FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 55,000	$ 67,348	$ 12,348
Total Revenues	55,000	67,348	12,348
Expenditures:			
Current:			
Classified Salaries	2,345	2,345	-
Employee Benefits	81	81	-
Services And Other Operating Expenditures	188,350	62,104	126,246
Capital Outlay	492,264	455,833	36,431
Total Expenditures	683,040	520,363	162,677
Net Change in Fund Balance	(628,040)	(453,015)	175,025
Fund Balance, July 1	654,734	654,734	-
Fund Balance, June 30	$ 26,694	$ 201,719	$ 175,025

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

MEMBER	OFFICE	TERM EXPIRES
Dr. Richard Mayer	President	2026
Dr. Vicki Ben-Yaacov	Vice President	2024
Sholeh Jahangir	Member	2024
Ethan Bertrand	Member	2026
Emily Zacarias	Member	2026

DISTRICT ADMINISTRATION

Dr. Donna Galindo-Roybal
Superintendent

Dr. Mary Kahn
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, 2023

	Second Period Report	Annual Report
Elementary:		
Kindergarten through third	1,839.78	1,847.37
Kindergarten through third - extended year- special ed	2.95	2.95
Grades four through six	1,352.11	1,354.93
Grades four through six - extended year- special ed	1.18	1.18
ADA totals	3,196.02	3,206.43

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, 2023

Grade Level	Ed. Code 46207 Minutes Requirement	2022-23 Actual Minutes	J-13 Credited Minutes	Total 2022-23 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	54,370	320	54,690	179	1	180	In compliance
Grade 2	50,400	54,370	320	54,690	179	1	180	In compliance
Grade 3	50,400	54,370	320	54,690	179	1	180	In compliance
Grade 4	54,000	55,700	330	56,030	179	1	180	In compliance
Grade 5	54,000	55,700	330	56,030	179	1	180	In compliance
Grade 6	54,000	55,700	330	56,030	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, 2023

General Fund	2024 (budget) (note 2)	2023	2022	2021
Revenues and other financial sources	$ 71,703,989	$ 74,296,160	$ 70,496,231	$ 60,489,440
Expenditures	73,167,878	75,876,403	70,901,911	58,629,305
Other uses and transfers		554,682	350,000	240,000
Total outgo	73,167,878	76,431,085	71,251,911	58,869,305
Change in fund balance	(1,463,889)	(2,134,925)	(755,680)	1,620,135
Ending fund balance	$ 10,779,220	$ 12,243,109	$ 14,378,034	$ 15,133,714
Available reserves (note 1)	$ 7,658,937	$ 8,695,550	$ 11,881,315	$ 11,255,872
Reserve for economic uncertainties	$ 2,195,036	$ 2,292,933	$ -	$ -
Undesignated/unassigned fund balance	$ 5,463,901	$ 6,402,617	$ 11,881,315	$ 11,255,872
Available reserves as a percentage of total outgo	10.47%	11.38%	16.68%	19.12%
Total long-term liabilities	$ 107,034,468	$ 111,243,578	$ 55,442,618	$ 86,892,768
Average daily attendance at P-2	3,196	3,196	3,172	3,491

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 $2,890,605 over the past two fiscal years. The fiscal year 2023-24 budget projects an decrease of $1,463,889 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 2023-24 fiscal year. Total long-term liabilities has increased by $24,350,810 over the past two fiscal years.

Average daily attendance has decreased by 295 over the past two fiscal years. ADA is anticipated to be the same during the fiscal year 2023-24.

Notes:
1) Available reserves consist of all unassigned fund balances and reserved for economic uncertainties contained within the General Fund.
2) Budget 2024 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, 2023

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	$ 377,370
ESSER II *	84.425	15547	59,707
Homeless Child and Youth II - ARP *	84.425	15566	9,985
ESSER III Learning Loss *	84.425U	10155	491,575
			561,267
Special Education	84.027	13379	771,163
Special Education - Private Schools	84.173	10115	27,985
Special Education - ARP	84.027	15638	165,986
Special Education - ARP Private Schools	84.027	10169	3,385
Special Education - ARP Preschool Grants	84.173	15639	25,613
Special Education - Preschool Grants	84.173	13430	43,790
			1,037,922
Improving Teacher Quality	84.367	14341	69,124
Title III	84.365	14346	99,310
Title IV	84.424	15396	26,933
Total U.S. Department of Education			2,171,926
U.S. Department of Agriculture:			
Pass through the County of Santa Barbara			
Forest Reserve	10.665	10044	263
Passed through the California Department of Education:			
National School Lunch *	10.555	13391	1,021,048
National School Breakfast *	10.553	13526	315,073
Summer Food Service Program Operations*	10.559	13004	33,620
			1,369,741
Total U.S. Department of Agriculture			1,370,004
Total expenditures of federal awards			$ 3,541,930

* - Denotes major programs

The accompanying note is an integral part of this schedule.

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.

THIS PAGE INTENTIONALLY LEFT BLANK.

GOLETA UNION SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

	General Fund	Building Fund	Capital Facilities Fund
June 30, 2023, annual financial and budget report fund balances	$ 12,243,109	$ 29,795,617	$ 201,719
Understatement of accounts receivable			
Understatement of accounts payable		(68,784)	
June 30, 2023, audited financial statements fund balances	$ 12,243,109	$ 29,726,833	$ 201,719

	Long-Term Liabilities
June 30, 2023, annual financial and budget report long-term liabilities	$ 44,464,261
Overstatement of bonds payable	(2,400,000)
Understatement of bonds premium	2,469,981
Overstatement of compensated absences payable	(11,498)
Understatement of lease payable	27,821
Understatement of net pension liability	66,450,566
Understatement of net OPEB liability	242,447
June 30, 2023, audited financial statements long-term liabilities	$ 111,243,578

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.

Bond Interest & Redemption Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	ASB Fund	Internal Service Fund
$ 7,012,987	$ -	$ 3,467,225	$ 398,485	$ 356,215	$ 58,196
		37,367			
$ 7,012,987	$ -	$ 3,504,592	$ 398,485	$ 356,215	$ 58,196

Moss, Levy & Hartzheim LLP
Certified Public Accountants

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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 2, 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 may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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*.

Goleta School District's Response to Findings

Goleta Union School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Goleta Union School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

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
February 2, 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 *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 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, 2023.

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, 2023.

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 *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 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 *2022-2023 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.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com
BEVERLY HILLS · CULVER CITY · SANTA MARIA

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 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 *2022-2023 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:

Compliance Requirements	Procedures Performed
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
Transportation Maintenance of Effort	Yes
Apprenticeship, Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
California Clean Energy Jobs Act	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
Transitional Kindergarten	Yes

Compliance Requirements	Procedures Performed
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 *2022-2023 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, Levy & Hartzheim LLP

Santa Maria, California
February 2, 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.

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDPENDENT 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 year ended June 30, 2023. 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 year ended June 30, 2023.

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

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

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, Levy & Hartzheim LLP

Santa Maria, California
February 2, 2024

FINDINGS AND RECOMMENDATIONS SECTION

GOLETA UNION SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

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	Child Nutrition Cluster
84.425, 84.425 U	Education Stabilization Fund

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			

Section II – 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.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings and questioned costs.

Section IV – State Award Findings and Questioned Costs

There were no state award findings and questioned costs.

Section I – Financial Findings and Questioned Costs

FINDING 2022-001
INTERNAL CONTROL
30000

Criteria:
Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of year-end closing entries required to ensure the financial statements are fairly stated. Accordingly, management should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition:
During the course of our engagement, we identified material misstatements of the fair market value of the District's deposits with the county treasury as reported in the 2021-2022 unaudited actuals financial report. Through review of supporting records, we noted that the fair market value of deposits in the county treasury was overstated by $185,438 in the Building Fund, by $24,097 in the Capital Facilities Fund, by $177,212 in the Bond Interest and Redemption Fund, and by $105,636 in the aggregate non-major governmental funds.

Effect:
Due to the conditions identified, the District's fund balances were overstated by $185,438 in the Building Fund, by $24,097 in the Capital Facilities Fund, by $177,212 in the Bond Interest and Redemption Fund, and by $105,636 in the aggregate non-major governmental funds

Cause:
The District's internal control and review system was not able to detect the misstatements to the financial statements.

Identification as a Repeat Finding, if Applicable:
Not a repeat finding.

Recommendation:
The District should implement controls to properly the fair market value of the District's deposits with the county treasury.

District's Corrective Action Plan:
The District will add the positing of the fair market value adjustment journal entry to the year-end closing checklist of entries to ensure that when the letter is received from the County Treasurer that the proper factor is used to record the fair market value of the District's deposits with the County Treasurer in all funds. The adjustments will be included in the District's Unaudited Actuals report.

Current Status:
Implemented

Section II – Federal Award Findings and Questioned Costs

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

Section III – State Award Findings and Questioned Costs

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

APPENDIX C

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SANTA BARBARA COUNTY AND THE CITY OF GOLETA

The following information concerning the County of Santa Barbara (the "County") and the City of Goleta (the "City") is presented for information purposes only. The following information has been obtained from the sources referenced as of the dates indicated. These sources are believed to be reliable but the information is not guaranteed as to accuracy or completeness, and is not, and should not be construed as, a representation by the District. The District comprises only a portion of the County. The Bonds are only payable from ad valorem property taxes levied on property in the District. The Bonds are not a debt or obligation of the County.

General

The County is located in Southern California. Most of the County is part of the California central coast. The County seat is the city of Santa Barbara and the largest city is Santa Maria. Agriculture and related industries and education are major industries in the County.

Population

The following table provides official population estimates for cities within the County, the County of Santa Barbara, and the State of California.

POPULATION
Cities of Santa Barbara County and the State of California
Calendar Years 2020 through 2024

Area	2020	2021	2022	2023	2024[(1)]
Buellton	5,144	5,136	5,009	4,968	4,970
Carpinteria	13,141	13,082	12,824	12,734	12,744
Goleta	32,661	32,995	32,296	32,503	32,515
Guadalupe	8,031	8,572	8,496	8,582	8,676
Lompoc	44,545	43,841	43,654	43,591	43,610
Santa Barbara	87,408	87,862	85,847	85,382	85,679
Santa Maria	109,544	110,387	109,348	109,687	110,608
Solvang	5,814	5,819	5,658	5,660	5,663
Balance Of County	141,941	133,858	139,924	139,235	139,158
Incorporated	306,288	307,694	303,150	303,107	304,465
County Total	448,229	441,552	443,074	442,342	443,623
California State Total	39,538,223	39,327,868	39,114,785	39,061,058	39,128,162

(1) Provisional population estimates for January 1, 2024, for the counties and cities.
Source: California State Department of Finance *Population Estimates for Cities, Counties, and the State, 2021-2024, with 2020 Census Benchmark*. Sacramento, California, May 2024.

Industry

The table below provides the California Employment Development Department's estimates of total annual civilian nonagricultural wage and salary employment by number of employees in each major industry in the County from calendar years 2019 through 2023 by annual average as of January 1st.

SANTA BARBARA COUNTY
EMPLOYMENT BY INDUSTRY
ANNUAL AVERAGES
Calendar Years 2019 through 2023

	2019	2020	2021	2022	2023
Total Farm	24,100	25,200	27,000	29,400	29,000
Total Nonfarm	189,400	176,300	181,500	187,900	190,300
Total Private	150,000	139,800	146,300	153,300	155,000
Goods Producing	22,800	21,400	21,900	22,700	23,100
Mining Logging Construction	9,900	9,500	9,900	10,300	10,500
Manufacturing	12,900	11,900	12,000	12,400	12,700
Durable Goods	9,200	8,500	8,400	8,300	8,400
Service Providing	166,600	154,900	159,600	165,200	167,200
Private Sector	127,200	118,300	124,500	130,900	131,800
Trade Transportation Utilities	27,200	25,600	27,200	27,400	26,900
Wholesale Trade	5,100	5,000	5,400	5,300	4,900
Retail Trade	18,600	17,300	18,100	18,200	18,500
Transportation Warehousing Utl.	3,500	3,400	3,700	3,800	3,500
Financial Activities	6,900	6,800	6,900	7,100	7,000
Business and Services	25,200	25,300	27,400	27,900	27,200
Private Education and Health	28,400	28,100	28,800	29,400	30,900
Leisure and Hospitality	29,000	21,900	24,300	28,200	28,700
Government	39,400	36,500	35,200	34,300	35,400
Federal Government	3,500	3,600	3,700	4,000	4,000
Total State and Local Govt.	35,900	33,000	31,400	30,300	31,400
State Government	12,400	10,800	8,900	6,900	7,300
Local Government	23,500	22,100	21,900	22,900	23,500

Source: State of California Employment Development Department, Labor Market Information Division, *Employment by Industry Data* based on March 2021 benchmark.

[Remainder of the page intentionally left blank.]

Employment

The County, State, and United States civilian labor force figures are shown in the following table for the years 2019 through 2023. The County figures are County-wide and may not necessarily reflect employment trends in the District.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT[1]
Santa Barbara County, State of California and the United States
2019 through 2023

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate[1]
2019				
Santa Barbara County	222,400	214,300	8,100	3.6%
California	19,385,300	18,589,600	795,700	4.1
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
Santa Barbara County	218,500	200,700	17,800	8.1%
California	18,958,600	17,037,000	1,921,600	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
Santa Barbara County	219,400	206,700	12,700	5.8%
California	18,956,600	17,568,700	1,387,800	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
Santa Barbara County	216,400	208,500	7,900	3.7%
California	19,169,300	18,348,900	820,400	4.2
United States	164,287,000	158,291,000	5,996,000	3.6
2023				
Santa Barbara County	218,200	209,300	9,000	4.1%
California	19,308,300	18,388,300	920,000	4.8
United States	167,116,000	161,037,000	6,080,000	3.6

(1) The unemployment rate is calculated using unrounded data. Data may not add due to rounding.
(2) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
Source: *California State Employment Development Department, and U.S. Bureau of Labor Statistics.*

[Remainder of page intentionally left blank.]

Personal Income

The following tables show the personal income and per capita personal income for the County, State, and United States from 2018 through 2022.

PERSONAL INCOME
Santa Barbara County, State of California, and the United States
2018 through 2022

Year	Santa Barbara County	California	United States
2018	$26,706,505	$2,411,055,136	$17,514,402,000
2019	27,936,118	2,537,950,599	18,343,601,000
2020	30,839,511	2,767,521,379	19,609,985,000
2021	33,642,845	3,013,676,929	21,392,812,000
2022	33,607,554	3,006,647,281	21,820,248,000

Source*:* U.S. Bureau of Economic Analysis, *SAINC1 State annual personal income summary: personal income, population, per capita personal income* and *CAINC1 County and MSA personal income summary: personal income, population, per capita personal income* (accessed Thursday, August 29, 2024).

PER CAPITA PERSONAL INCOME[(1)]
Santa Barbara County, State of California, and the United States
2018 through 2022

Year	Santa Barbara County	California	United States
2018	$59,649	$60,984	$53,309
2019	62,306	64,174	55,547
2020	68,801	70,061	59,153
2021	76,910	76,991	64,430
2022	75,720	77,036	65,470

[(1)] Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: *U.S. Department of Commerce, Bureau of Economic Analysis.*

[Remainder of page intentionally left blank.]

Major Employers

The following table lists the County's major employers.

MAJOR EMPLOYERS
Santa Barbara County

Employer	Location	Industry
Alisal Ranch	Solvang	Hotels & Motels
Chumash Casino Resort	Santa Ynez	Casinos
Cottage Health	Santa Barbara	Health Care Management
Deckers Outdoor Corp	Goleta	Shoes-Retail
Den Mat Holdings LLC	Lompoc	Dental Equipment & Supplies-Wholesale
Dignity Health Marian Regl Med	Santa Maria	Hospitals
Four Seasons Resrt	Santa Barbara	Hotels & Motels
Hardy Diagnostics	Santa Maria	Surgical/Med Instruments/Apparatus (mfr)
Hilton Santa Barbara	Santa Barbara	Hotels & Motels
J & G Berry Farms LLC	Santa Maria	Berry Farming-Except Strawberry
Jordano's	Santa Barbara	Food Products (whls)
Kjee FM	Santa Barbara	Radio Stations & Broadcasting Companies
Manzanita Berry Farms	Santa Maria	Fruits & Vegetables – Wholesale
Marborg Industries	Santa Barbara	Sheds-Tool & Utility
Mission Linen Supply Inc	Santa Barbara	Linen Supply Service
Montecito Bank & Trust	Goleta	Banks
Nusil Technology Inc	Carpinteria	Silicon (mfrs)
Ritz-Carlton Bacara Santa Brbr	Santa Barbara	Hotels & Motels
Safran Cabin	Santa Maria	Aircraft Equipment Parts & Supls-Mfrs
Santa Barbara City College	Santa Barbara	Junior-Community College-Tech Institutes
University of CA Santa Barbara	Santa Barbara	Schools-Universities & Colleges Academic
University of CA Santa Barbara	Santa Barbara	University-College Dept/Facility/Office
US Penitentiary	Lompoc	Federal Govt-Correctional Institutions
Yardi Systems Inc.	Santa Barbara	Software/Application/Platform Publishing

Source: *California Employment Development Department*, extracted from the *America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition*, last updated March 2024.

[Remainder of page intentionally left blank.]

Commercial Activity

The tables below show the number of permits and taxable transactions in the County between 2019 and 2023, the most recent data available.

SANTA BARBARA COUNTY
Valuation of Taxable Transactions
Fiscal Years 2019 through 2023

Year	Retail and Food Permits	Retail and Food Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2019	8,674	$5,399,331,493	15,741	$7,616,131,420
2020	8,996	5,288,656,881	16,543	7,355,400,658
2021	7,989	6,334,218,945	14,970	9,025,113,127
2022	7,951	6,819,788,562	15,144	9,858,258,740
2023	7,572	6,629,784,798	14,451	9,769,355,619

Source: *California Department of Tax and Fee Administration*.

CITY OF GOLETA
Valuation of Taxable Transactions
Fiscal Years 2019 through 2023

Year	Retail and Food Permits	Retail and Food Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2019	675	$622,793,953	1,355	$ 823,221,553
2020	702	603,199,844	1,417	781,445,291
2021	630	710,080,211	1,293	932,986,961
2022	614	769,542,913	1,303	1,027,492,393
2023	602	720,629,304	1,239	1,026,517,087

Source: *California Department of Tax and Fee Administration*.

[Remainder of page intentionally left blank.]

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Goleta Union School District (the "District") in connection with the execution and delivery of $___________ aggregate principal amount of the District's General Obligation Bonds, 2020 Election, 2024 Series C and $___________ aggregate principal amount of the District's 2024 General Obligation Refunding Bonds (together the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Governing Board of the District on October 9, 2024 (together, the "Resolutions"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolutions.

In consideration of the issuance and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Bondholders and in order to assist Oppenheimer & Co. Inc. (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolutions, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Dissemination Agent" shall mean any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Agent has evidenced its acceptance in writing. The Dissemination Agent shall be Dale Scott & Co., Inc.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its electronic municipal market access system, which can be found at http://emma.msrb.org/, or any repository of disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated ____, 2024 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 270 days after the end of the District's fiscal year (currently ending June 30), which date would be March 30, commencing with the report for the fiscal year ending June 30, 2024, which would be due on March 30, 2025, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District, in a timely manner, shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine the name and address of the MSRB each year prior to the date established hereunder for providing the Annual Report; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) Local funding and State funding received by the District for the last completed fiscal year;

(ii) outstanding District indebtedness;

(iii) assessed value of taxable property in the District as shown on the most recent equalized assessment roll;

(iv) top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value;

(v) summary financial information on revenues, expenditures and fund balances for the District's General Fund reflecting adopted budget for the current year; and

(vi) Secured tax charges and delinquencies, only if the County terminates or discontinues the Teeter Plan within the District.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Significant Events.

(a) The District agrees to provide or cause to be provided to the MSRB, in readable PDF or other electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of or failure to perform by any credit provider;

(v) Adverse tax opinions with respect to the tax status of the Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Bonds;

(vi) Tender Offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the securities, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the securities or other material events affecting the tax status of the securities;

(ii) Modifications of rights to security holders;

(iii) Bond calls;

(iv) Release, substitution or sale of property securing repayment of the securities;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional paying agent or trustee or the change of name of a paying agent or trustee; and

(viii) Incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders;

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 6(a) hereof, or determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolutions.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolutions which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in the Disclosure Agreement, and no implied duties, covenants or obligations shall be read into this Disclosure Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Disclosure Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Disclosure Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Disclosure Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Disclosure Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, cost or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Disclosure Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement under the following conditions, provided no amendment to this Disclosure Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or to include it in any future disclosure or notice of occurrence of a Listed Event.

Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Bondholder or the Underwriter may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: ____________, 2024

GOLETA UNION SCHOOL DISTRICT

By:____
Superintendent

Acceptance of duties as Dissemination Agent:

DALE SCOTT & CO., INC.

By:_____________________________________

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Goleta Union School District

Name of Issue: $____________ General Obligation Bonds, 2020 Election, 2024 Series C

$____________ 2024 General Obligation Refunding Bonds

Date of Issuance: _______________, 2024

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated ____________, 2024. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: __________________________

[ISSUER/DISSEMINATION AGENT]

By:____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

SANTA BARBARA COUNTY INVESTMENT POLICY STATEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

SANTA BARBARA COUNTY

TREASURER

INVESTMENT POLICY

STATEMENT

2024 - 2025

Harry E. Hagen, CPA
Treasurer-Tax Collector

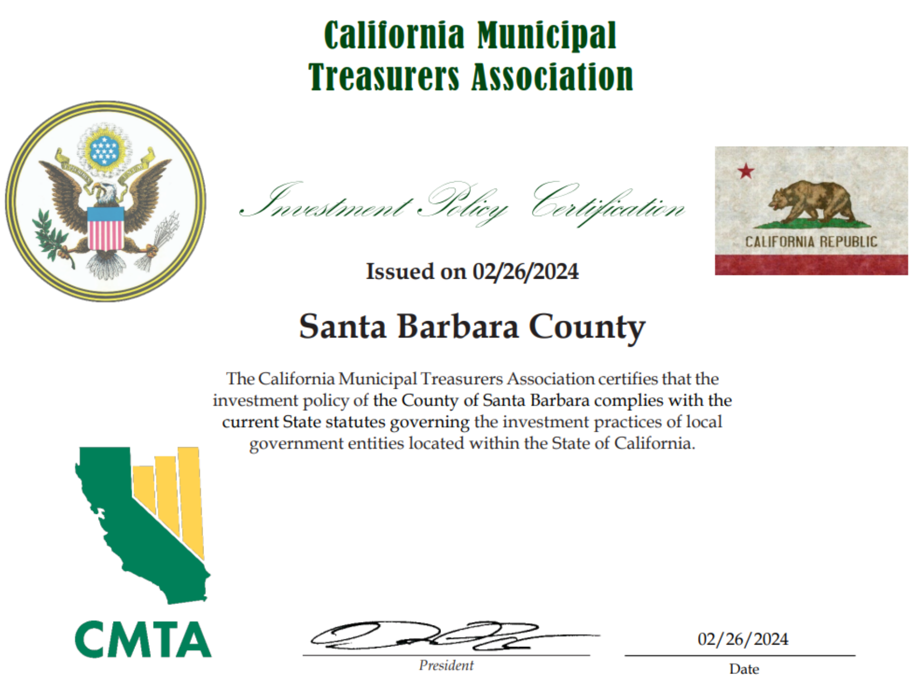
Daniel A. Chandler, CPA
Chief Investment Officer

Revision Date 04-29-2024

Certifications

The Santa Barbara County Investment Pool Policy Statement was certified by the Government Investment Officer's Association (GIOA) on May 6, 2023.

The Santa Barbara County Investment Pool Policy Statement was certified by the California Municipal Treasurers Association (CMTA) on February 26, 2024.



California Municipal
Treasurers Association

Investment Policy Certification

Issued on 02/26/2024

Santa Barbara County

The California Municipal Treasurers Association certifies that the investment policy of the County of Santa Barbara complies with the current State statutes governing the investment practices of local government entities located within the State of California.

CMTA

President

02/26/2024

Date

Table of Contents

Page Number

1. OVERVIEW

The County of Santa Barbara's Investment Policy has been prepared in accordance with State law. This Policy is presented annually to the Treasury Oversight Committee for review and to the Board of Supervisors for approval, pursuant to the requirements of sections §53646(a) and §27133 of the California Government Code. The County establishes investment policies that meet its current investment goals. The County may change this policy as its investment objectives change.

This policy contains the following frequently used abbreviations:

- Santa Barbara County Investment Pool (Investment Pool)
- Santa Barbara County Investment Policy (Investment Policy)
- Santa Barbara County Treasurer (Treasurer)
- Santa Barbara County Board of Supervisors (BOS)
- Treasury Oversight Committee (TOC)
- California Government Code (CGC)

2. POLICY

The purpose of this policy is to provide a basis for the implementation and management of a prudent, conservative investment program. It is the policy of the Treasurer to invest public funds in a manner which provides the maximum security of principal invested with secondary emphasis on achieving the highest return, while meeting the daily cash flow needs of the Investment Pool participants and conforming to all applicable State statutes and County resolutions governing the investment of public funds.

As an elected official, the Treasurer must manage public monies in a way that is consistent with investment oversight and sound investment practices. To have an investment policy which only concerns itself with maximizing return is careless and negligent. The basic concept of investment management is the risk/reward relationship. A higher promised return on any investment may indicate a higher level of risk. Risk management must be an integral part of any prudent investment policy. Risk management must include adequate internal controls, so Investment Pool participants and the public have confidence that public monies are secure. Though all investments contain a degree of risk, the proper exercise of prudence, the maintenance of a high level of ethical standards, and the proper delegation of authority reduces the potential for loss.

3. PURPOSES

This policy is set forth by the Treasurer for the following purposes:

3.1 To implement the investment program in accordance with its legislative parameters and the authority to invest which is hereby delegated to the Treasurer by the BOS.

3.2 To establish a clear understanding for the BOS, County management, responsible employees, citizens, and third parties of the objectives, policies, and guidelines for the investment of idle and surplus funds.

3.3 To offer guidance to investment staff and any external investment advisors on the investment of the Pool.

4. OBJECTIVES

Investments must always follow all federal laws, state laws and local regulations governing the investment of money under control of the Treasurer, this policy, and the Prudent Investment standard of care. The objectives of this policy are, in order of priority:

4.1 Safety of principal. The primary objective of the Treasurer's investment program is to safeguard investment principal by mitigating exposure to risk factors, including, but not limited to, market (interest rate) risk, credit risk, and reinvestment risk. Specific risk parameters are set forth in sections 13 and 14 of this policy.

4.2 Maintenance of sufficient liquidity to meet cash flow needs.

4.3 Attainment of a "market average rate of return" consistent with the primary objectives of safety and liquidity.

5. SCOPE

This policy applies to county, school and special district fund assets deposited in the County Treasury and under control of the Treasurer. It does not apply to assets that are not deposited in the County Treasury, including, but not limited to:

5.1 Bond Funds (the investment of which is governed by the bond documents).

5.2 Assets of Investment Pool participants other than assets on deposit in the County Treasury (which are the responsibility of the participant's governing body); and

5.3 Deferred Compensation Plan assets (which are invested for the benefit of participants in the Plan).

5.4 The Treasurer may direct specific-purpose assets belonging to the county or other participants in instruments the earnings of which are not shared but credited to the specific-purpose fund. The investments for these direct Pools shall be made in accordance with this policy, except that investments may be for periods greater than five years when a longer term is advantageous for the investment of money held for specific purposes. Investments for periods longer than five years require prior approval of the governing body in accordance with CGC section §53601.

6. STANDARD OF CARE

6.1 The Prudent Investor Standard is the appropriate standard of care for the Pool. This standard shall be used by investment officials and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

6.2 The Prudent Investor Standard Defined: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

7. DELEGATION OF AUTHORITY

7.1 Authority to manage the County's investment program is derived from the CGC sections §53600 et seq., and sections §53630 et seq.

7.2 The Treasurer is authorized by Santa Barbara County Code section 2-24.8 to invest or reinvest the funds of the county and the funds of the other depositors in the County Treasury, pursuant to CGC Chapter 4 (commencing with section §53600) of Par 1 of Division 2 of Title 5.

7.3 Within the Treasurer's office, the Treasurer has the authority to appoint individuals responsible for management of the portfolio, to make investments and to direct the receipt and delivery of investment securities at the custody bank. The Treasurer has delegated authority for the Investment Pool to the Chief Investment Officer, the Chief Finance Officer, and the Assistant Treasurer.

8. ETHICS AND CONFLICTS OF INTEREST

8.1 Individuals performing the investment function and members of the TOC shall maintain the highest standards of conduct. They must maintain their independence and not have actual conflicts of interest. In addition, they shall avoid the appearance of having conflicts of interest or having a lack of independence.

8.2 All investment personnel shall disclose to the Treasurer any financial interests in financial institutions that conduct business with the County of Santa Barbara and shall disclose any material financial positions that could be related in a conflicting manner to the investment strategies and performance of the Investment Pool. In accordance with State law, the Treasurer, and individuals responsible for management of the portfolio shall complete and submit State of California Form 700, Statement of Economic Interests Disclosure. Should any conflicts be disclosed, the Treasurer will resolve such matters as soon as practical.

8.3 The Treasurer, individuals responsible for management of the portfolio, and members of the TOC will not accept a gift or gifts aggregating more than the Fair Political Practices Commission guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the Treasurer conducts business.

8.4 The Treasurer, individuals responsible for management of the portfolio, and members of the TOC may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the Treasurer conducts business or may, in the future, conduct business.

8.5 A member of the TOC may not be employed by an entity that has contributed to the campaign of a candidate for the office of the Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or while a member of the Committee. A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the Treasurer is doing business during the period that the person is a member of the Committee or for one year after leaving the Committee.

8.6 A member of the TOC may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the Committee.

9. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the County shall be deposited for safekeeping with the custodial bank that has contracted to provide the Treasurer with custody and security clearance services or with a tri-party custodian bank under a written tri-party custody agreement. These third-party trust department arrangements provide the County with a perfected interest in, ownership of and control over the securities held by the bank custodian on the County's behalf and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are not to be held in investment firm/broker dealer accounts.

10. DELIVERY VS. PAYMENT

All security transactions are to be conducted using industry-standard "delivery-versus-payment" procedures.

11. INTERNAL CONTROLS

11.1 The Treasurer shall establish and document a system of internal controls that is prudent and comprehensive. Internal controls shall be designed to provide reasonable assurances that the combined Investment Pool assets are protected. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived.

11.2 Internal controls are designed to ensure separation of transaction authority from accounting and record keeping and to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the Treasurer's office.

11.3 No investment personnel may engage in an investment transaction except as provided under this policy and the procedures established by the Treasurer.

12. AUTHORIZED DEALERS AND INSTITUTIONS

12.1 The Treasurer shall determine which financial institutions are authorized to provide investment services to the County pursuant to CGC §53601.5. Institutions eligible to transact investment business with the County include but are not limited to:

a) Primary government dealers (including their parent and subsidiaries) as designated by the Federal Reserve Bank
b) Nationally or state-chartered banks
c) The Federal Reserve Bank
d) Regional dealers
e) Direct issuers of securities eligible for purchase by the County

12.2 Selection of financial institutions and broker/dealers authorized to engage in transactions with the County shall be at the sole discretion of the County.

12.3 All financial institutions which desire to become authorized dealers for investment transactions shall complete the Santa Barbara County's "Request for Qualification" form. Each qualified dealer must certify in writing that they have reviewed the relevant CGC sections and the Investment Policy and that all securities offered to the County shall comply fully and in every instance with all provisions of the Code and with this policy.

12.4 The authorized dealers and financial institutions must not have made any political contribution to the Treasurer, BOS, or candidates for these offices for 48 months before and any time during their engagement with the County.

12.5 Public deposits shall be made in accordance with State law. Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

12.6 The Treasurer, or designee, will create and review periodically an approved list of firms and financial institutions authorized to do business with the Treasurer.

13. ALLOWABLE INVESTMENTS

13.1 All investments shall be made in accordance with CGC §53601, §53630 et seq., and as described within this policy. Percentage allowances per this policy shall be determined by the overall portfolio size at book value on the close of the date any security is settled. Allowable investments under this policy are described in Figure 1 below.

Figure 1

Allowable Investments and Investment Restrictions

AUTHORIZED INVESTMENTS	PERCENT OF TOTAL PORTFOLIO	PERCENT BY ISSUER	MAX MATURITY	CREDIT QUALITY (S&P/MOODY'S / FITCH)	AUTHORIZED BY CA GOV CODE
Local Agency Bonds	10%	None	5 years	None	§53601(a)
U.S. Treasury Obligations	100%	None	5 years [A]	Guaranteed by U.S. Government	§53601(b)
State Obligations issued by California and 49 other states	10%	None	5 years	None	§53601(c)(d)
Local Agency Obligations issued by local agencies in California	10%	None	5 years	None	§53601(e)
Federal Agency or U.S. government sponsored enterprise (GSE) obligations	Callable GSE's limited to 50% of portfolio	25%	5 years	None	§53601(f)
Bankers' Acceptances	40% [H]	5%	180 days	A1 / P1 / F1 by at least 2 of the 3 rating agencies	§53601(g)
Negotiable Certificates of Deposits	30%	5%	1 year	A1 / P1 / F1 by at least 2 of the 3 rating agencies	§53601(i)
Repurchase Agreements	20%	Contract must be on file	30 days	Restricted to primary dealers and state-chartered banks on eligible list [E]	§53601(j)
Reverse Repurchase Agreements (REPO)	20% of the base value of the portfolio	Contract must be on file	92 days [F]	Restricted to primary dealers on County's eligible list [G]	§53601(j)
Medium Term Notes or Corporate Notes from U.S. corporations	30% of portfolio & 10% of portfolio in maturity greater than 3 years	5%	5 years	AA by at least 2 of the 3 rating agencies if more than 3 years: AA- up to 3 yrs. AAA if TLGP	§53601(k)
Mutual Funds and Money Market Mutual Funds	15%	10%; no NAV adjustments ; no front-end loads	Daily liquidity	AAA by at least 2 of the 3 rating agencies [N]	§53601(l)

Figure 1 **Allowable Investments and Investment Restrictions**					
AUTHORIZED INVESTMENTS	PERCENT OF TOTAL PORTFOLIO	PERCENT BY ISSUER	MAX MATURITY	CREDIT QUALITY (S&P/MOODY'S / FITCH)	AUTHORIZED BY CA GOV CODE
Collateralized Bank Deposits [C]	10%	None	1 year	None	§53601(n) and§53630 et seq.
Mortgage Pass-through and Asset Backed Securities	20%	None	1 year	AA rating category or its equivalent or better	§53601(o)
Joint Powers Authority (JPA) Pools such as CAMP [B]	As limited by each JPA Pool	As limited by each JPA Pool	Daily Liquidity	None	§53601(p)
Supranational Obligations [J]	30%	5%	5 years	AA by at least 1 rating agency	§53601(q)
Public Bank Obligations	None	None	5 years	None	53601(r), 53635(c), and 57603
Placement Service Deposits into FDIC insured deposit accounts such as FICA	10% [O]	$100 Million per placement service	Daily liquidity	FDIC Insured [I]	§53601.8 and §53635.8
Commercial Paper from Pooled funds [L]	40%	10% of agency's money [M]	270 days	A1 / P1 / F1 by at least 2 of the 3 rating agencies [D]	53635(a)(1)
Local Agency Investment Fund (LAIF)	As limited by LAIF	As limited by LAIF	Daily Liquidity	None	§16429.1 (a)(b)(d)

Figure 1 Notes
A. The final maturity shall not exceed five years, unless specifically authorized by the BOS.
B. Joint Powers Authority such as the California Asset Management Program (CAMP). Managed Pools' pursuant to CGC §53601(p) for which shares of beneficial interest issued by a joint powers authority organized pursuant to CGC §6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) of CGC section §53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint power's authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that is registered with the SEC and has not less than five years of experience investing in the securities and obligations authorized in CGC §53601 (a) to (o).
C. Collateralized Bank deposits (Non-negotiable certificates of deposit) which are fully collateralized with securities in accordance with California law.
D. Commercial paper of U.S. corporations with total assets exceeding $500,000,000. Medium Term or Corporate Notes (MTNs) of United States corporations & Depository Institutions or Medium-Term Notes of U.S. Corporations and Depository Institutions issued under the Temporary Liquidity Guarantee Program,

Figure 1 Notes	
	guaranteed by the Federal Deposit Insurance Corporation. The issuer of non-TLGP notes shall be rated AA by at least two of the three major rating services of Moody's, S&P, and Fitch if maturity is greater than 3 years and shall be rated AA- by at least two of the three major rating services of Moody's, S&P, and Fitch if maturity is 3 years or less. TLGP notes shall be rated AAA by one of the three major rating services.
E.	Repurchase agreements collateralized with securities authorized under 13.1.a, and 13.2.a of this policy maintained at a level of at least 102% of the market value of the repurchase agreements. The repurchase agreements are the subject of a master repurchase agreement between the County and the provider of the repurchase agreement. The master repurchase agreement shall be substantially in the form developed by the Public Securities Association, and the counterparty to the repurchase agreements is a primary government securities dealer as designated by the Federal Reserve Bank of New York and state-chartered banks.
F.	Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state charted bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
G.	Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
H.	No more than 30 percent of the agency's money may be in the banker' acceptances of any one commercial bank.
I.	Placement Service Deposits are FDIC Insured Deposit Accounts authorized pursuant to CGC sections §53601.8 and §53635.8. The deposit of funds may be placed directly with a selected depository institution not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC). A selected depository may use a private sector entity to help place deposits with one or more commercial bank or savings bank located in the United States. The full amount of each deposit and the interest that may accrue on each such deposit shall always be insured by the Federal Deposit Insurance Corporation (FDIC),
J.	Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.
K.	Not used
L.	Includes agencies defined as county, city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in section §53601(h)(2)(c).
M.	Local agencies, other than counties or a city and county, may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.
N.	A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies, or the fund must retain an investment advisor who is registered with SEC (or exempt registration), has assets of $500 million, and has at least five years' experience investing in instruments authorized by CGC §53601 and §53635.
O.	Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under CGC §53601.8 (excludes negotiable certificates of deposit authorized under CGC §53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts to 30 percent. Investments made pursuant to CGC §53635.8 remain

Figure 1 Notes
subject to a maximum of 30 percent of the portfolio. The Treasurer has further restricted the maximum percentage for this investment to 10% of the portfolio.

13.2 Bank Accounts

Bank accounts, where withdrawals can be made at any time and are subject to CGC §53630 et seq are not considered investments. For clarity and to allow a comprehensive view, the following policies apply to bank deposit accounts. The County Treasurer will determine the optimal use and mix of bank accounts and investments in executing the Pool's objectives of safety, liquidity, and yield, in the best interests of the County.

a) Public Investment Money Market Accounts: A PIMMA is a bank deposit account which is collateralized per CGC §53651 and §53652. These accounts are bank accounts by code, not investments. Nevertheless, the County Treasurer's policy shall be to treat them as investments for purposes of management, internal controls, oversight, and portfolio statistics. Unlike typical investments, funds may be withdrawn at any time without a dollar limit or penalty, but the number of withdrawals per month is usually limited. Further, any bank accepting a deposit of public funds must pledge securities as collateral pursuant to CGC §53651 and §53652 to secure the principal balance.

    - The securities must be held in trust for safekeeping by an independent third-party custodian.
    - The market value of the securities to be held in trust depends on the type of securities but is typically 110% of the principal balance.
    - Other conditions and restrictions apply as specified by the above code sections.

    PIMMAs offer multiple levels of safety to protect County funds. The first level of protection is the bank's own assets and equity. However, if those were inadequate and the bank failed, then the FDIC typically orchestrates efforts to find a purchaser or other solution to make depositors whole, and if that also was inadequate, then per CGC §53665, the Treasurer could demand the custodian to convert the pledged securities to cash for the benefit of the County.

b) Fee Credit Accounts: Based on average balances maintained, many banks offer credits against banking fees. For checking and other transactional bank accounts, which do not earn interest, the effective return offered through fee credits on average balances may at times be superior to traditional investment alternatives. The County Treasurer's policy regarding bank account balances therefore shall be to optimize those balances based on a risk-adjusted net rate of return, with fee avoidance being considered a cash return, relative to other investments.

c) Cannabis: Cash from cannabis taxation and licensing activities are not commingled into the Investment Pool. Cannabis cash and interest earned on deposits are segregated into separate bank accounts from the Investment Pool bank accounts.

14. PROHIBITED INVESTMENTS

14.1 State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than money market funds as described above), unregulated and/or un-rated Pools or trusts, collateralized mortgage obligations and futures and options.

14.2 In accordance with CGC section §53601.6, investments in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited. Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Purchasing or selling securities on margin is prohibited.

15. PORTFOLIO RISK MANAGEMENT

15.1 Mitigating Credit Risk in the Portfolio: Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Treasurer shall mitigate credit risk by adopting the following strategies:

a) The diversification requirements included in section 13 of this policy are designed to mitigate credit risk in the portfolio.
b) No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies, and sponsored enterprises.
c) The County may elect to sell a security prior to its maturity and record a gain or loss to improve the quality, liquidity, or yield of the portfolio in response to market conditions or the County's risk preferences.
d) If the securities owned by the County are downgraded by Moody's, S&P, or Fitch to a level below the quality required by this policy, it shall be the County's policy to review the credit situation and decide as to whether to sell or retain such securities in the portfolio. The Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
e) The Treasurer will continue to monitor and reevaluate the security on an ongoing basis to reaffirm or change the decision to hold a downgraded security.
f) If a decision is made to retain a downgraded security in the portfolio, the status of the investment will be reported quarterly to the BOS.

15.2 Mitigating Market Risk in the Portfolio: Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The County recognizes that, over time, longer-term portfolios generally achieve higher returns. On the other hand, longer-term portfolios have a higher volatility of return. The County shall mitigate market risk by providing adequate liquidity for cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The County further recognizes that certain types of securities, including variable rate securities, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The County, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

a) All investments are categorized according to the period from settlement date to maturity date. Market circumstances and risk-return calculations for increased yield may require an extended schedule. In no event shall more than 75 percent of the funds available be invested for longer than one year.
b) The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy. The five-year maturity of callable securities is measured to the final maturity date, not to a call date.
c) Maturity of investments should be governed by the Treasurer's demand for funds through analysis of revenue and expenditure activity over prior periods. The portfolio shall be structured in such a manner that securities mature concurrent with cash needs.

15.3 Mitigating Reinvestment Risk in the Portfolio: Reinvestment risk is the risk that cash flows from securities will be reinvested at interest rates that are lower than the rate of the original investment. Securities that are highly subject to reinvestment risk include mortgage-backed and callable securities. The County, therefore, adopts the following strategies to control and mitigate its exposure to reinvestment risk:

a) The portfolio shall include securities with a range of durations and maturities.
b) Investment in callable securities is limited to 50%.

16. DIVERSIFICATION

The Treasurer will diversify the Pool's Investments by security type and institution to achieve a diversified mix of independent maturities. See specific requirements in sections 13 and 15.1 of this policy.

17. MAXIMUM MATURITIES

Investment purchases shall not include securities maturing more than five years from the date of settlement unless previously approved by the BOS. If approved by the BOS, reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Board approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit. Purchases of investments shall not include securities with settlement dates more than 45 days from the purchase date.

18. REVIEW OF INVESTMENT PORTFOLIO

The Securities held by the Investment Pool must follow section 13 of this policy, at the time of purchase. The Treasurer, shall at least annually, review the portfolio to identify any securities that may not comply with section 13 of this policy after the date of purchase and establish a procedure to report to the TOC and the BOS any major or critical incidences of non-compliance identified through review of the portfolio.

19. INVESTMENT POOLS & MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), which only invest in direct obligations in U.S. Treasury bills, notes, and bonds, U.S. Government Agencies, Municipal Debt, and repurchase agreements with a weighted average maturity of 60 days or less. Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV) are prohibited. Money market mutual funds are not required to conform to the restrictions detailed in this IPS. The Treasurer shall be required to investigate money market mutual funds prior to investing and perform a periodic review at least annually thereafter while the funds are invested in the money market mutual fund. Specific requirements set forth in section 13, Figure 1, Mutual Funds and Money Market Mutual Funds of this policy.

20. COLLATERALIZATION

In accordance with CGC §53601, collateralization will be required on certificates of deposit and repurchase agreements. Collateralization of any investment will be in accordance with securities approved under this policy. Collateral will always be held by an independent third party with whom the financial institution has a current custodial agreement.

21. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of earning a rate of return throughout budgetary cycles, corresponding with the investment risk constraints and the cash flow needs of the Pool.

22. INVESTMENT POLICY COMPLIANCE ADOPTION

In accordance with CGC §53646, the Investment Policy shall be reviewed and approved by the BOS. The Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, return, and its relevance to current law, financial conditions, and economic trends.

23. REPORTING AND DISCLOSURE

23.1 Monthly Reporting: Pursuant to CGC §53607, the Treasurer's authority to invest or to reinvest funds or sell or exchange securities so purchased may be delegated by the BOS for a one-year period. The Treasurer shall assume full responsibility for those transactions until the delegation of authority is revoked or expires and shall submit a monthly report of those transactions to the Clerk of the Board.

23.2 Quarterly Reporting: In accordance with CGC §53646, the Treasurer shall submit a quarterly investment report to the BOS, County Executive Office, Auditor-Controller, and TOC within 45 days following the end of the quarter covered by the report. For public benefit, the quarterly report shall be posted on the County's website. This report shall disclose, at a minimum, the following investment information:

a) The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments, and moneys.
b) A description of any funds, investments, or programs that are under the management of contracted parties, including lending programs.
c) A current market value as of the date of the report and the source of this valuation.
d) A statement of compliance with the Investment Policy or the way the portfolio is not in compliance.

e) A statement denoting the ability of the County to meet its expenditure requirements for the next six months or an explanation as to why sufficient money may not be available.

23.3 Annual Reporting: The Treasurer shall prepare annual financial statements in accordance with Generally Accepted Accounting Principles. Any internal or external audit reports shall be presented to the TOC together with a plan of implementation of audit recommendations.

24. TREASURY OVERSIGHT COMMITTEE

24.1 The BOS shall establish a TOC pursuant to CGC §27131. The Committee shall consist of between three and eleven members nominated by the Treasurer and confirmed by the BOS. Any changes to the Investment Policy shall be reviewed by the TOC.

24.2 Pursuant to CGC §53646 and §53607, the Treasurer shall annually render to the BOS for review and approval this policy and renew the delegation of investment authority.

24.3 Pursuant to CGC §27137, the TOC is not allowed to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

25. APPORTIONMENT OF EARNINGS AND COSTS

25.1 Investment earnings shall be apportioned to all Investment Pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Investment Pool. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was earned.

25.2 As provided by CGC §27013, §27133 and §27135, the Treasurer shall deduct those administrative costs associated with investing, depositing, banking, auditing, reporting or otherwise handling or managing funds from the gross interest earnings before the interest earnings are apportioned.

26. VOLUNTARY PARTICIPANTS

The Treasurer does not solicit any agency's voluntary entry into the Pool. However, should any agency solicit entry, the agency shall comply with the requirements of CGC section §53684 and provide to the Treasurer a resolution adopted by their governing board stating that they have excess funds available for the purpose of investment. The resolution shall specify the amount to be invested, the person authorized to coordinate the transaction, the anticipated time frame for deposit, and the agency's willingness to be bound to section 27 of this policy, as well as the Treasurer's ability to deduct pro-rata administrative charges permitted by section 25.2 of this policy. Any solicitation for entry into the Investment Pool must have the Treasurer's prior written approval.

27. PARTICIPANT WITHDRAWAL

27.1 Investment Pool participants who seek to withdraw funds for normal cash flow purposes of less than $1 million shall obtain approval from the Santa Barbara County Auditor-Controller. In addition, prior written approval from the Treasurer is required for normal cash flow withdrawals of $1 million or greater. The Treasurer will honor requests to withdraw funds at a one-dollar net asset value.

27.2 Any requests to withdraw funds for the purpose of external investing or depositing funds outside the of the Investment Pool, regardless of the amount, shall be subject to the consent of the Treasurer. In accordance with CGC §27136 et seq. and §27133(h) et seq., such requests for withdrawals must first be made in writing to the Treasurer. These requests are subject to the Treasurer's consideration of the stability and predictability of the Investment Pool.

Assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Investment Pool will be based on the following criteria:

a) The amount of the withdrawal
b) The Remaining balance of the total Investment Pool and the agency portion of the Pool
c) Current market conditions
d) Effect on predicted cash flows
e) Determination of sufficient balances remaining to cover the pro-rata administrative charges permitted by section 25.2 of this policy
f) The Treasurer has adequate information to make a proper finding that other Investment Pool participants will not be adversely affected

27.3 Investment Pool participants withdrawing funds will not recognize GASB 31 fair market value gains or losses, except in extraordinary circumstances as defined by the Treasurer at the time. To protect other Investment Pool participants, participants withdrawing funds for the purpose of external investing or depositing funds outside of the Investment pool shall obtain approval from the Treasurer prior to reinvesting those funds back into the Pool.

27.4 All funds withdrawn from the Investment Pool for the purpose of investing or depositing those funds outside the Investment Pool shall become the responsibility of the legislative body requesting the action. The Treasurer shall in no manner be held responsible or liable for withdrawal of funds or investments purchased with said funds. The request of any legislative body, by resolution, authorizing the withdrawal of funds for deposit or investment outside the Investment Pool must provide a disclaimer of liability. The Treasurer shall not honor such withdrawal request if a disclaimer clause is not provided.

28. LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into our pool management and into this policy.

Appendix I

GLOSSARY OF TERMS

ACCRUED INTEREST – The amount of interest that is earned, but unpaid since the last payment date.

BANKERS ACCEPTANCES – A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill. With the credit strength of a bank behind it, the bankers acceptance usually qualifies as a money market instrument. In its simplest and most traditional form, a bankers acceptance is merely a check drawn on a bank by an importer or exporter of goods.

BASIS POINT - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

BID - The indicated price at which a buyer is willing to purchase a security or commodity.

BOOK ENTRY – The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

BOOK VALUE - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

BROKER/DEALER – Any person engaged in the business of effecting transactions in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC)
The CDIAC provides information, education, and technical assistance on public debt and investments to local public agencies and other public finance professionals.

CALLABLE BOND - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CALL PRICE - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

CALL RISK - The risk to a bondholder that a bond may be redeemed prior to maturity.

CASH SALE/PURCHASE - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

COLLERATERALIZATION - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

COMBINED INVESTMENT POOL – The county maintains a combined Investment Pool with cash and investments which provide cash flow for the funding needs of the participants. The combined Investment Pool is managed by the Santa Barbara County Treasurer. The combined Investment Pool is carried at amortized cost and includes accrued interest.

COMMERCIAL PAPER - An unsecured short-term promissory note issued by banks, corporations, and other borrowers with temporarily idle cash, with maturities ranging from 2 to 270 days. Such instruments are usually discounted, although some are interest bearing. It is issued only by top-rated concerns and is nearly always backed by bank lines of credit.

CONFIRMATION – Formal memorandum from a broker/dealer to the Treasurer giving the details of a securities transaction, i.e., purchase or sale.

COUPON RATE - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

CREDIT QUALITY - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

CREDIT RISK - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CURRENT YIELD (CURRENT RETURN) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

CUSTODIAN/CUSTODY – The financial institution where the investments purchased by the County Treasury are held.

DELIVERY VERSUS PAYMENT (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

DERIVATIVE - Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT - The amount by which the par value of a security exceeds the price paid for the security.

DIVERSIFICATION – The spreading of risk by investing in assets among a range of security types by sector, maturity, and quality rating.

DURATION - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

EARNINGS APPORTIONMENT – The quarterly interest distribution to the Investment Pool participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

FAIR VALUE - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL FUNDS - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

FEDERAL FUNDS RATE - Interest rate charged by one institution lending Federal funds to the other.

FITCH IBCA, INC. (FITCH) – One of the three best known rating agencies in the United States, the others being Moody's Investment Service, Inc. (Moody's), and Standard and Poor's Corporation (S&P). The County Treasury uses all three as its primary rating sources in determining eligibility for securities purchases.

GUARANTEED INVESTMENT CONTRACTS (GICS) – An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

GOVERNMENT SECURITIES - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

HIGHLY LIQUID – The most eminent type of security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

IDLE FUNDS – funds in the combined Investment Pool not required for immediate cash needs.

ILLIQUID – A security that is difficult to buy or sell or has a widespread between bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

INFORMAL COMPETITIVE BID – A verbal or written bid submitted to the County Treasury by a broker/dealer for a specific issue at a specific price or yield.

INTEREST RATE - See "Coupon Rate."

INTEREST RATE RISK - The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INTERNAL CONTROLS - An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

INVERTED YIELD CURVE - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

INVESTMENT POLICY - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

INVESTMENT-GRADE OBLIGATIONS - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

LIQUID - An asset that can be converted easily and quickly into cash because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY INVESTMENT FUND (LAIF) – The State of California Pool in which money of local agencies is Pooled as a method for managing and investing local funds.

LOCAL AGENCY OBLIGATION – An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM – A security with the maturity greater than one year.

MARK-TO-MARKET - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK - The risk that the value of a security will rise or decline as a result of changes in market conditions.
MARKET VALUE – The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

MATURITY - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

MEDIUM TERM NOTES – Corporate Notes and Deposit Notes that are obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period.

MONEY MARKET MUTUAL FUND - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

MOODY'S INVESTORS SERVICE, INC. (Moody's) - One of the three best known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch). The County Treasury uses all three as its primary rating sources in determining eligibility for securities purchases.

MUTUAL FUND - An investment company that Pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management, and general Investment Policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator, or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios daily.
6. Have all individuals who sells SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an Investment Policy governed by a prospectus which is updated and filed by the SEC annually.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NEGOTIABLE CERTIFICATE OF DEPOSIT – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period that is traded in the secondary markets.

NET ASSET VALUE - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NO LOAD FUND - A mutual fund which does not levy a sales charge on the purchase of its shares.

NOMINAL YIELD - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

NONCALLABLE – A bond that is exempt from any kind of redemption for a stated period.

NOTE – A written promise to pay a specific amount to a certain entity on demand or on a specified date.

OFFER - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

PAR - Face value or principal value of a bond, typically $1,000 per bond.

PORTFOLIO – Combined holding of more than one stock, bond, cash equivalent, or asset. The purpose of a portfolio is to reduce risk by diversification.

POSITIVE YIELD CURVE - A chart formation that illustrates short-term securities having lower yields than long-term securities.

PREMIUM - The amount by which the price paid for a security exceeds the security's par value.

PRIMARY DEALER – A group of securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC) registered securities broker-dealers and banks.

PRIME RATE - A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

PRINCIPAL - The face value or par value of a debt instrument. Also, may refer to the amount of capital invested in each security.

PROSPECTUS - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an “official statement”).

PRUDENT INVESTOR RULE - An investment standard where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is met is if a prudent person acting in such a situation would engage in similar conduct to ensure investments safeguard principal and maintain liquidity.

PUT OPTION – The sale of an option to another party gives them the right to sell to the Investment Pool a security at a specified price within a specified time period.

RATING – Evaluation of financial institutions' investment and credit risks by professional rating services. The County Treasury utilizes the ratings designations of Moody's, S&P and Fitch.

REGISTERED STATE WARRANT – A short-term obligation of a state governmental body issued in anticipation of revenue.

REGULAR WAY DELIVERY - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

REINVESTMENT RISK - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT (REPO) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

SAFEKEEPING – A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SECURITIES AND EXCHANGE COMMISSION (SEC) – Agency created by Congress to protect investors in securities transactions by administering securities laws. The statutes administered by the SEC are designed to promote full public disclosure and protect the investing public against malpractice in the securities market.

SECURITIES LENDING – A transaction wherein the Investment Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SERIAL BOND - A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

SHORT-TERM – A security with a maturity of one year or less.

STANDARD AND POOR'S CORPORATION (S&P) – One of the three best known rating agencies in the United States, the others being Moody's Investment Service, Inc. (Moody's), and Fitch IBCA, Inc. (Fitch). The County Treasury uses all three as its primary rating sources in determining eligibility for securities purchases.

SWAP - Trading one asset for another.

TOTAL RETURN - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

TREASURY BILLS - Short-term U.S. government non-interest-bearing debt securities with maturities of no longer than one year and issued in minimum denominations of $10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

TREASURY NOTES - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from $1,000 to $1 million or more.

TREASURY BONDS - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of $1,000. Currently, the longest outstanding maturity for such securities is 30 years.

VOLATILITY - A degree of fluctuation in the price and valuation of securities.

WEIGHTED AVERAGE MATURITY (WAM) - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

WHEN ISSUED (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

YIELD - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

YIELD-TO-CALL (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date. Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

YIELD-TO-MATURITY - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

ZERO-COUPON SECURITIES - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct or Indirect Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its respective Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The foregoing internet addresses are included for reference only, and the information on these internet sites is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date