GOLETA SANITARY DISTRICT

FINANCIAL STATEMENTS
June 30, 2023

GOLETA SANITARY DISTRICT
TABLE OF CONTENTS
June 30, 2023

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goleta Sanitary District
Goleta, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Goleta Sanitary 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 Sanitary 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 business-type activities and each major fund of the Goleta Sanitary 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. 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 Sanitary 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 Sanitary 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- 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 Sanitary 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 Sanitary 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 the management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions 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.

Report on Summarized Comparative Information

We have previously audited the Goleta Sanitary District's 2022 financial statements, and our report dated December 5, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the Goleta Sanitary 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
December 22, 2023

Goleta Sanitary District
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the Goleta Sanitary District, we offer readers of the Goleta Sanitary District's financial statements this narrative overview and analysis of the financial activities of the Goleta Sanitary District for the fiscal year ending June 30, 2023. We encourage readers to consider the information presented here in conjunction with the audit report.

Financial Highlights

- The assets and deferred outflows of resources of the Goleta Sanitary District exceeded its liabilities and deferred inflows of resources by $101,271,421 and $98,986,335 at the close of the June 30, 2023 and 2022 fiscal year, respectively.

- The District's total net position increased by $2,285,086 as of June 30, 2023 and increased by $1,923,953 as of June 30, 2022.

- The combination of operating and non-operating revenues, less operating expenses results in net income in the amount of $1,949,849 as of June 30, 2023 and net income in the amount of $1,585,568 as of June 30, 2022.

- Capital contributions were made to the District in the amount of $335,237 and $338,385 as of June 30, 2023 and 2022, respectively.

- The District borrowed Capital Improvement funds and is now carrying debt in the amount of $13,618,068. These funds are for the construction of the Biosolids & Energy Strategic Plan Improvements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Goleta Sanitary District's basic financial statements. The Goleta Sanitary District's basic financial statements comprise two components: 1) government-wide financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of revenues, expenses, and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave, or compensated absences).

The Goleta Sanitary District has only business-type activities and that business-type activity is the provision of sanitation services to the community.

The financial statements can be found on pages 13-16 of this audit report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Goleta Sanitary District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-34 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Goleta Sanitary District's progress in funding its obligation to provide pension benefits to its employees on pages 35-38.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Goleta Sanitary District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $101,271,421 and $98,986,335 at the close of June 30, 2023 and 2022, respectively.

By far the largest portion of the Goleta Sanitary District's net position, $67,370,165 (66.5%) and $68,144,919 (68.8%) as of June 30, 2023 and 2022, respectively, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Goleta Sanitary District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Goleta Sanitary District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOLETA SANITARY DISTRICT'S NET POSITION

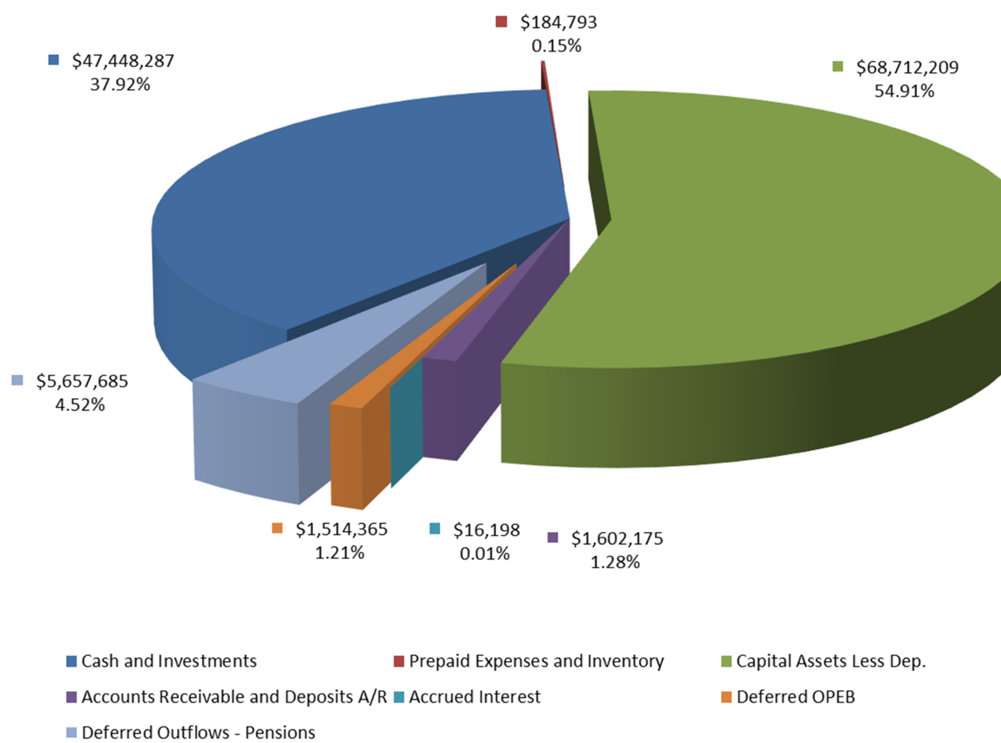
	June 30, 2023	June 30, 2022
Current Assets	$ 30,937,301	$ 31,604,984
Noncurrent Assets	87,026,361	87,284,303
Total Assets	$ 117,963,662	$ 118,889,287
Deferred Outflows of Resources	$ 7,172,050	$ 1,398,181
Current Liabilities	$ 2,190,758	$ 1,247,863
Noncurrent Liabilities	20,143,767	16,550,146
Total Liabilities	$ 22,334,525	$ 17,798,009
Deferred Inflows of Resources	$ 1,529,766	$ 3,503,124
Net Position:		
Net Investment in Capital Assets	$ 67,370,165	$ 68,144,919
Restricted	5,521,196	4,907,458
Restricted for Construction	12,792,956	14,012,954
Unrestricted	15,587,104	11,921,004
Total Net Position	$ 101,271,421	$ 98,986,335

Additional portions of the Goleta Sanitary District's net position, $5,521,196 (5.5%) and $4,907,458 (5.0%) as of June 30, 2023 and 2022, respectively, represents resources that are subject to external restrictions on how they may be used. The other restricted resource is the construction loan proceeds, $12,792,956 (12.6%) $14,012,954 (14.2%) as of June 30, 2023 and 2022, respectively. The remaining balance of unrestricted net position, $15,587,104 and $11,921,004 as of June 30, 2023 and 2022, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

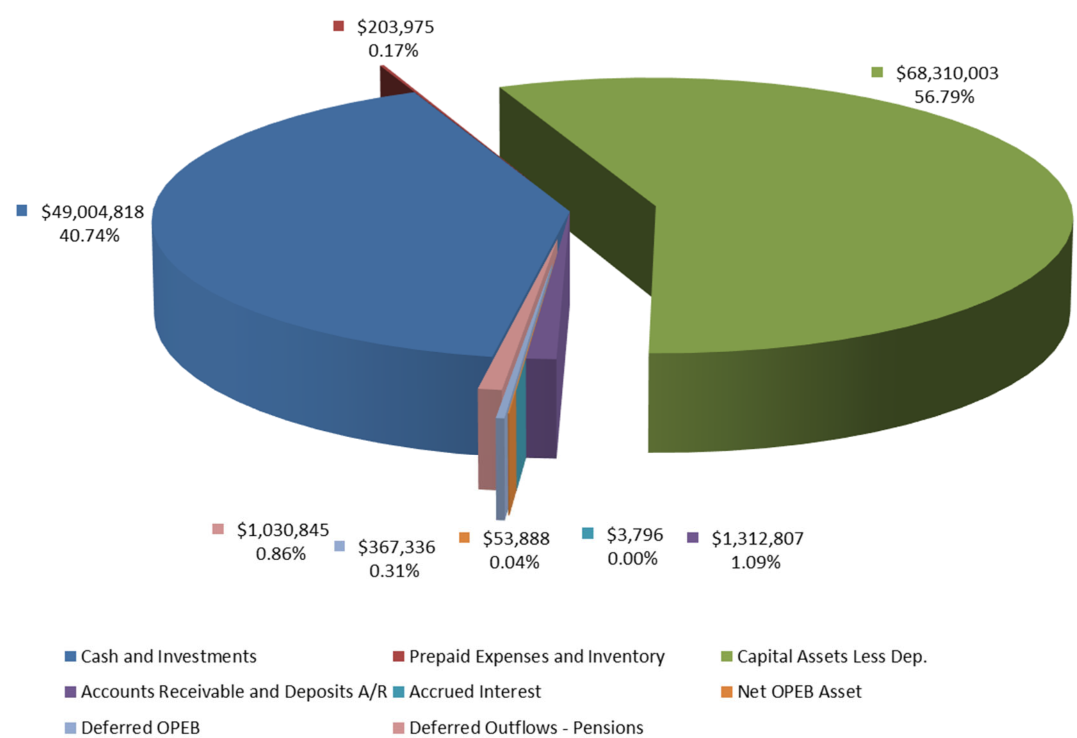
At the end of the current fiscal year, the Goleta Sanitary District is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

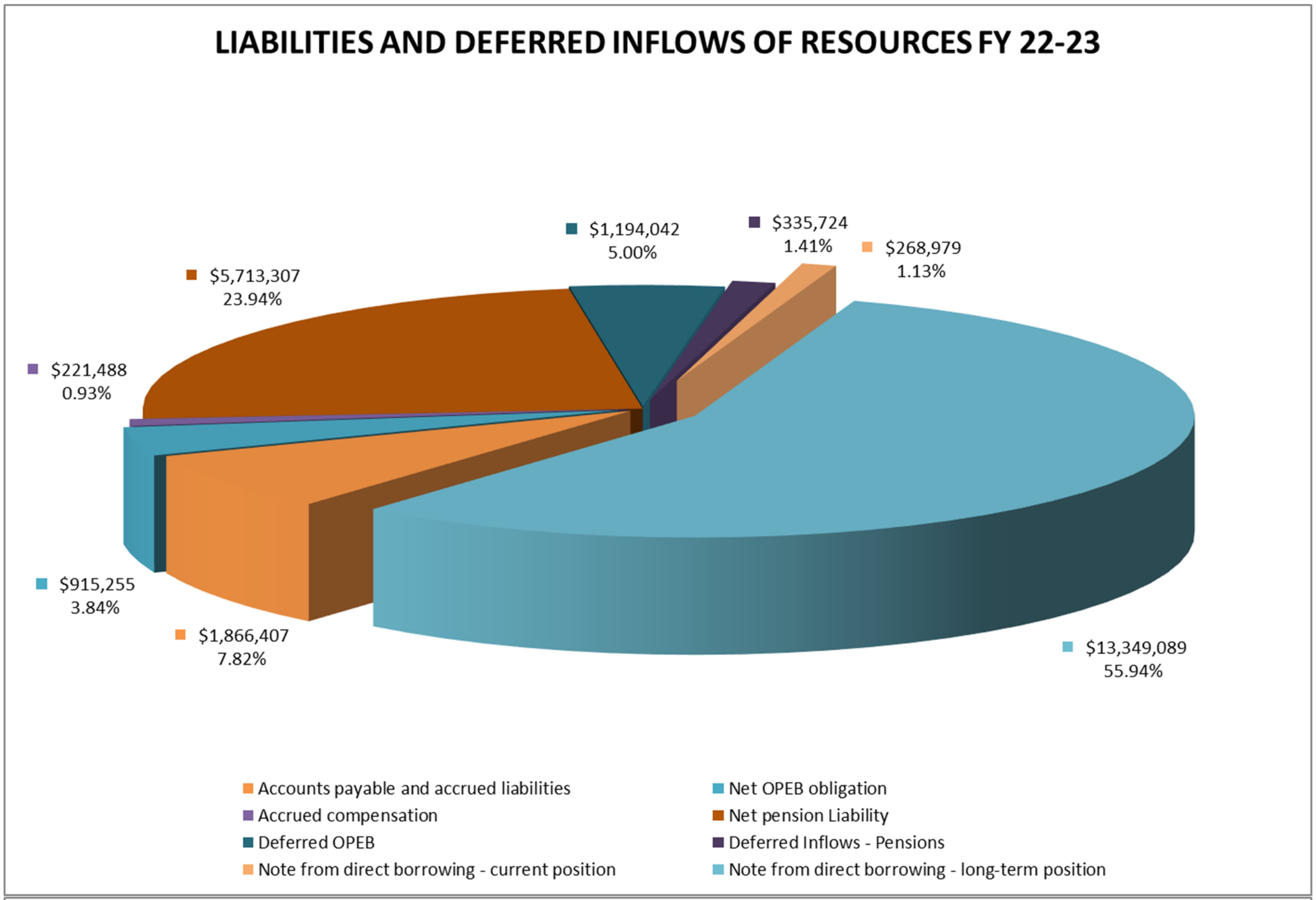
Charts comparing the Assets and Deferred Outflows of Resources and the Liabilities and Deferred Inflows of Resources of the last two fiscal years are represented on the following two pages.

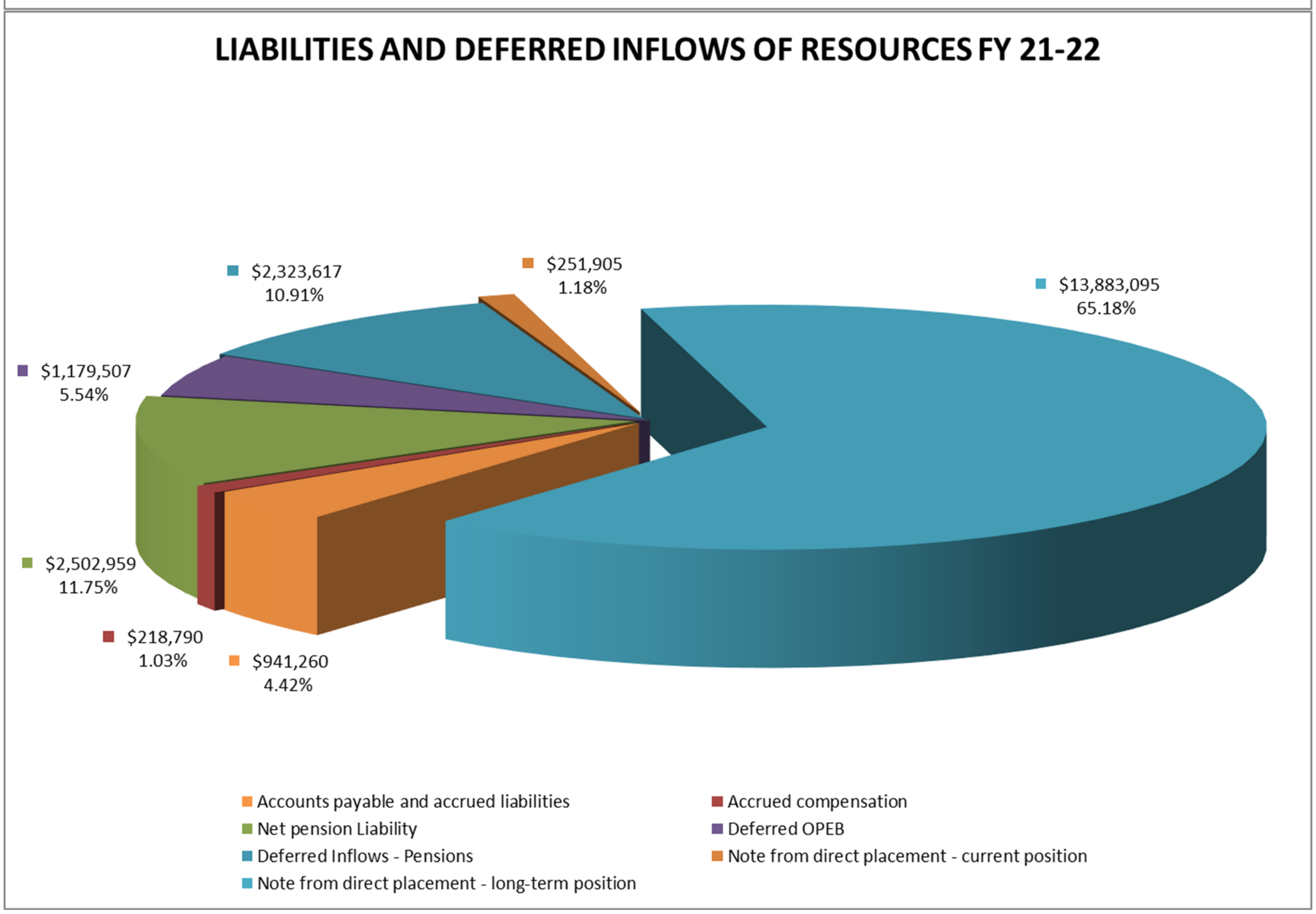
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 22-23



ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 21-22



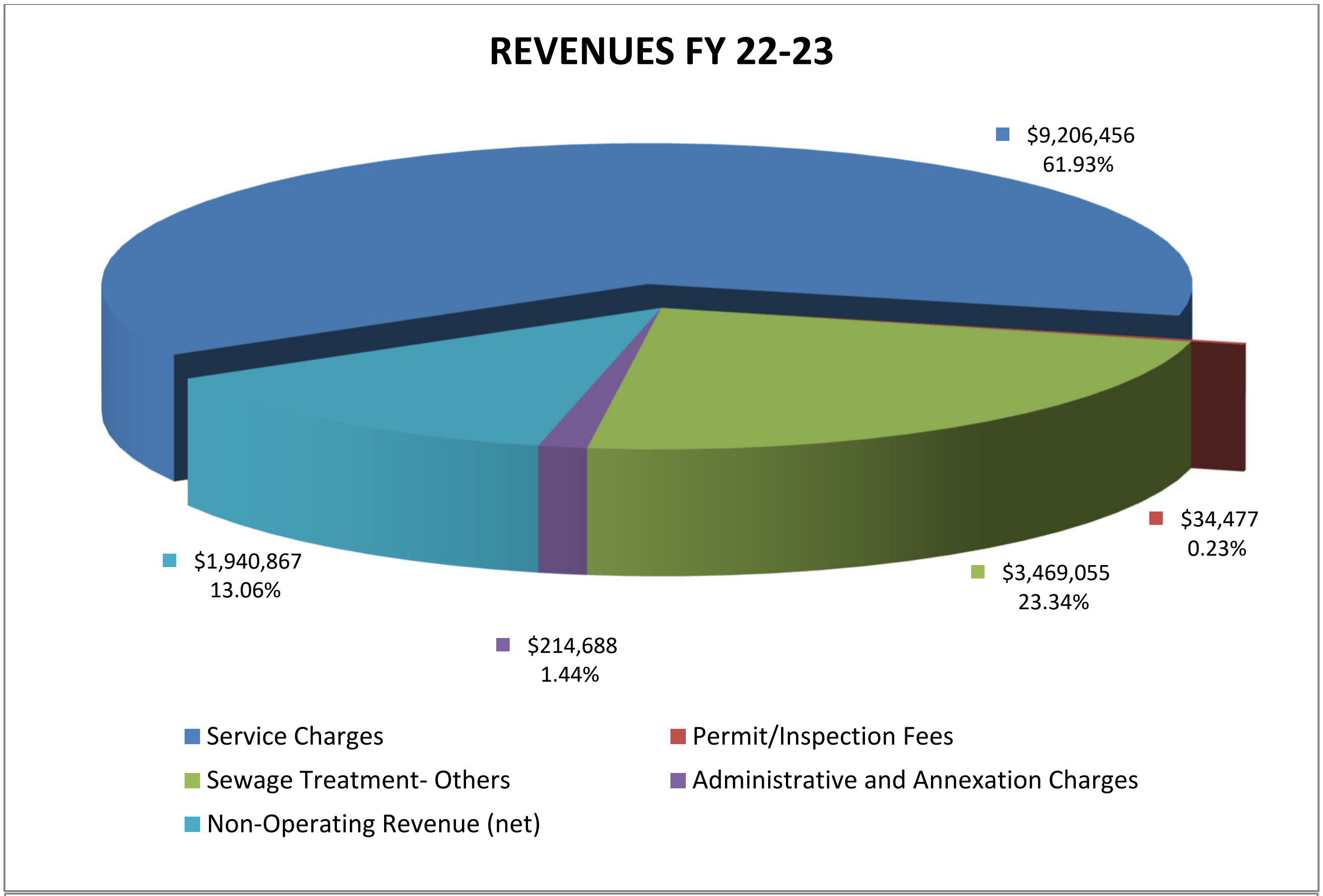

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 22-23
$1,194,042
5.00%
$335,724
1.41%
$268,979
1.13%
$5,713,307
23.94%
$221,488
0.93%
$915,255
3.84%
$1,866,407
7.82%
$13,349,089
55.94%
Accounts payable and accrued liabilities
Net OPEB obligation
Accrued compensation
Net pension Liability
Deferred OPEB
Deferred Inflows - Pensions
Note from direct borrowing - current position
Note from direct borrowing - long-term position

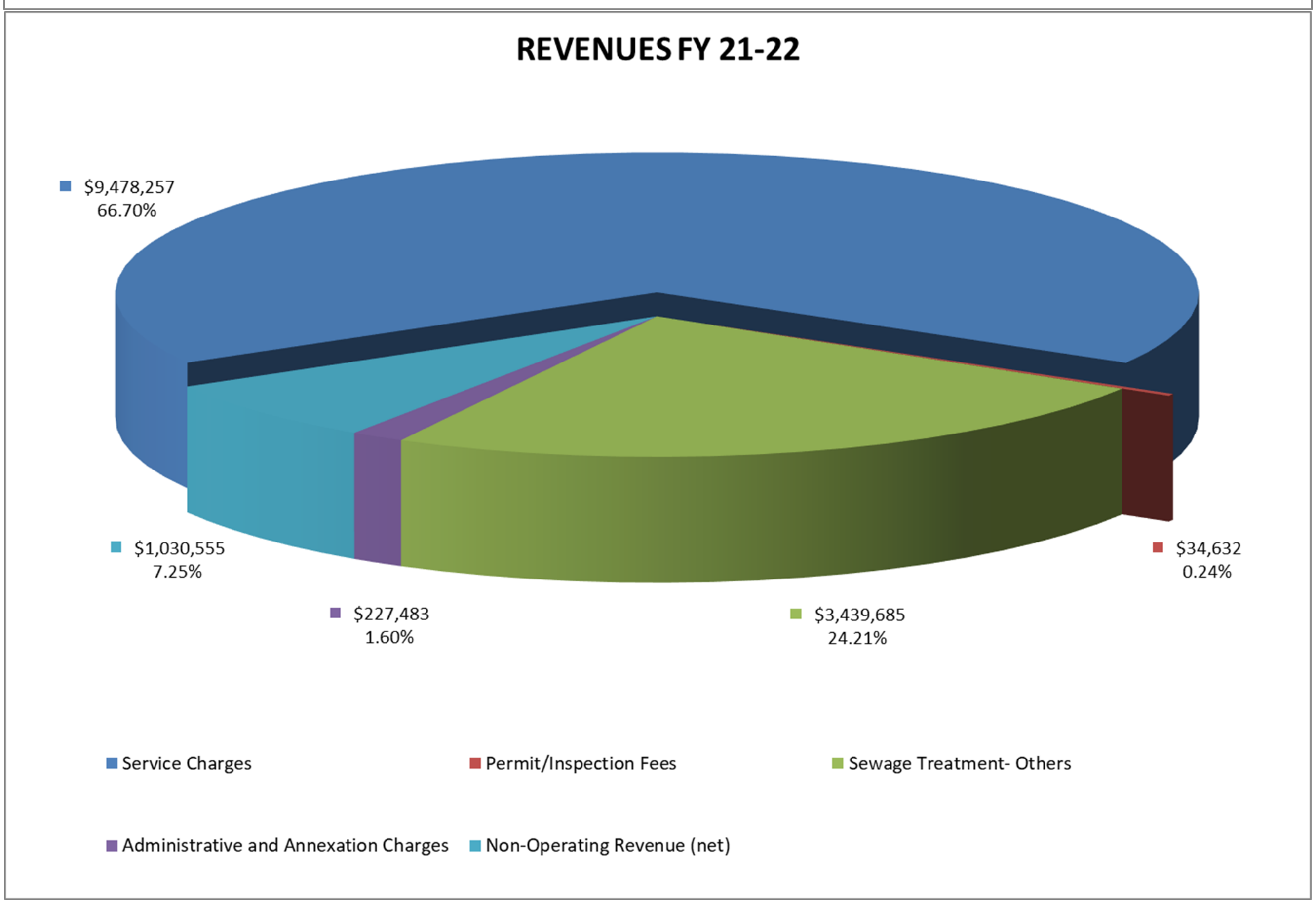

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 21-22
$2,323,617
10.91%
$251,905
1.18%
$13,883,095
65.18%
$1,179,507
5.54%
$2,502,959
11.75%
$218,790
1.03%
$941,260
4.42%
Accounts payable and accrued liabilities
Accrued compensation
Net pension Liability
Deferred OPEB
Deferred Inflows - Pensions
Note from direct placement - current position
Note from direct placement - long-term position

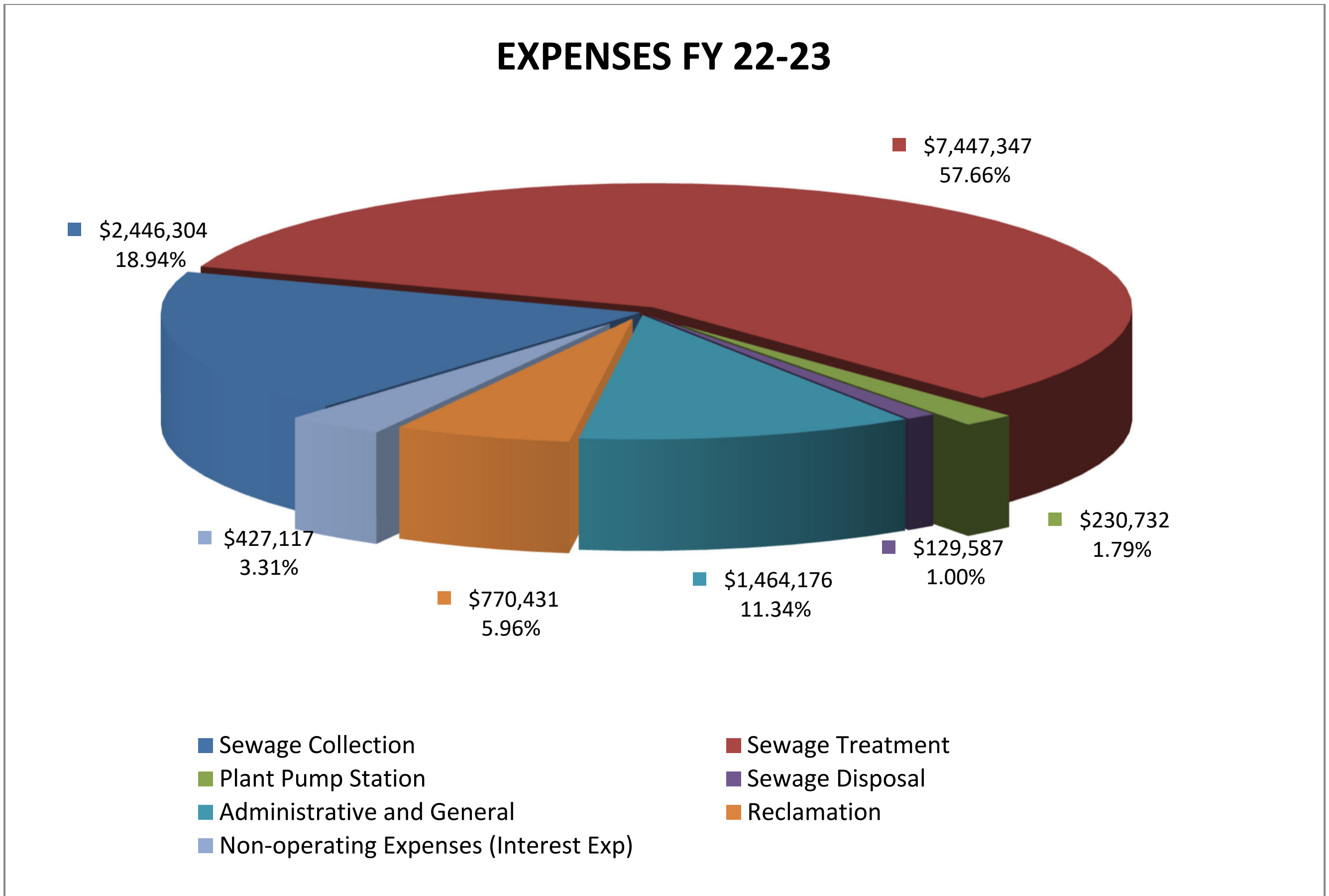
Business-type activities. The business-type activities increased the Goleta Sanitary District's net position by $2,285,086 and $1,923,953 as of June 30, 2023 and 2022, respectively. The key elements are as follows: operating and nonoperating revenues exceeded operating and nonoperating expenses by $1,949,849 as of June 30, 2023 whereas operating and nonoperating revenues exceeded operating and nonoperating expenses by $1,585,568 as of June 30, 2022. Capital contributions to the District's system totaled $335,237 and $338,385 as of June 30, 2023 and 2022, respectively. This is a net decrease of $3,148 in Capital contributions as of June 30, 2023. The total revenues and capital contributions exceeded expenses during the 2022-2023 fiscal year. The District's construction in progress value of $7,232,062 has been recorded as capitalized amounts as detailed in Note 4 on page 24.

GOLETA SANITARY DISTRICT'S CHANGE IN NET POSITION

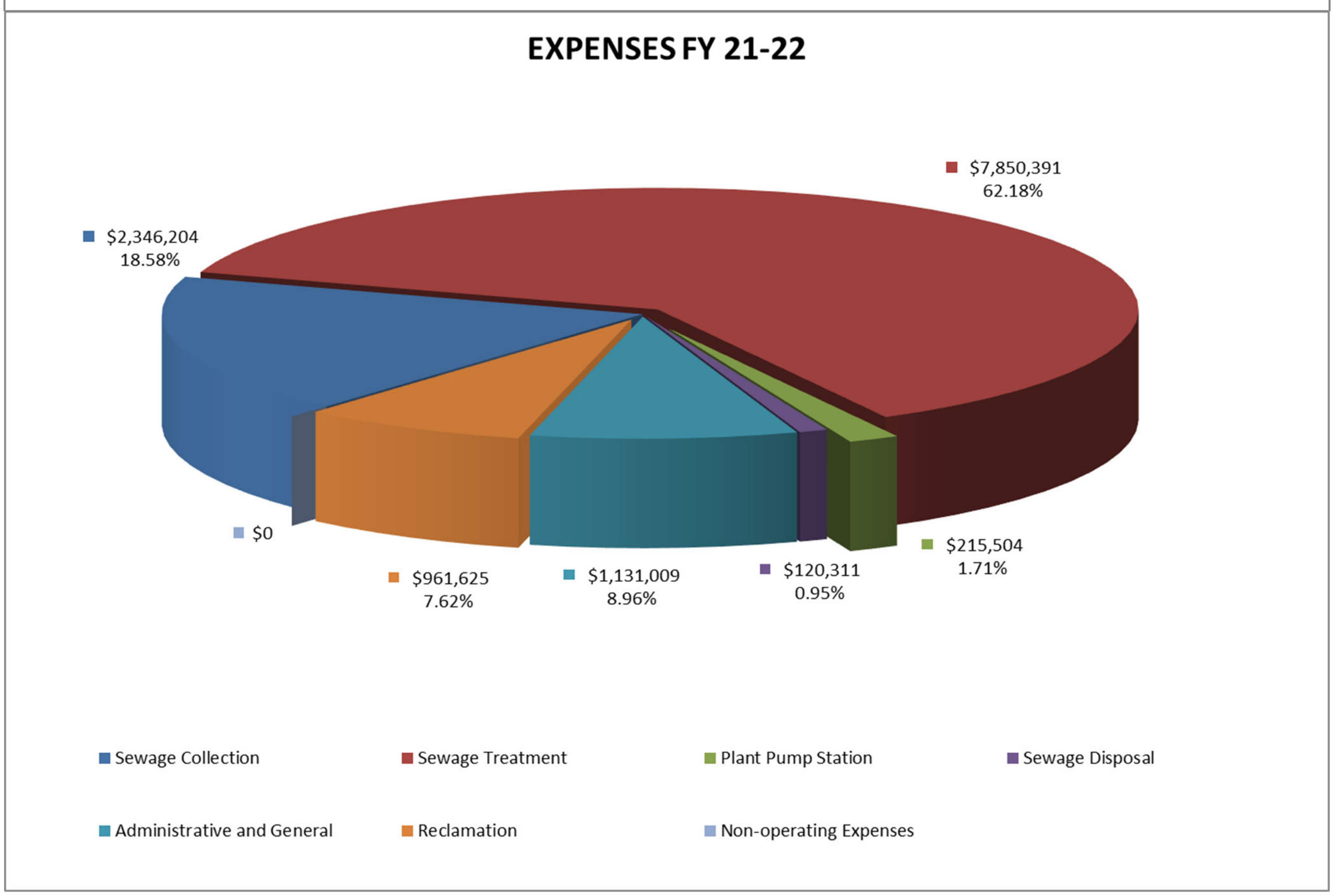
	June 30, 2023	June 30, 2022
Revenues:		
Service Charges	$ 9,206,456	$ 9,478,257
Other Operating	3,718,220	3,701,800
Non-operating	1,940,867	1,030,555
Sub-total:	$ 14,865,543	$ 14,210,612
Expenses:		
Sewage Collection	$ 2,446,304	$ 2,346,204
Sewage Treatment	7,447,347	7,850,391
Plant Pump Station	230,732	215,504
Sewage Disposal	129,587	120,311
Administrative	1,464,176	1,131,009
Wastewater Reclamation	770,431	961,625
Interest Expense	427,117	
Total Expenses:	$ 12,915,694	$ 12,625,044
Net Income/(Loss) Before Capital Contributions:	$ 1,949,849	$ 1,585,568
Capital Contributions	335,237	338,385
Increase in Net Position	$ 2,285,086	$ 1,923,953
Net Position – Beginning of Year	$ 98,986,335	$ 97,062,382
Net Position – End of Year	$ 101,271,421	$ 98,986,335


REVENUES FY 22-23
$9,206,456
61.93%
$34,477
0.23%
$3,469,055
23.34%
$214,688
1.44%
$1,940,867
13.06%
Service Charges
Permit/Inspection Fees
Sewage Treatment- Others
Administrative and Annexation Charges
Non-Operating Revenue (net)

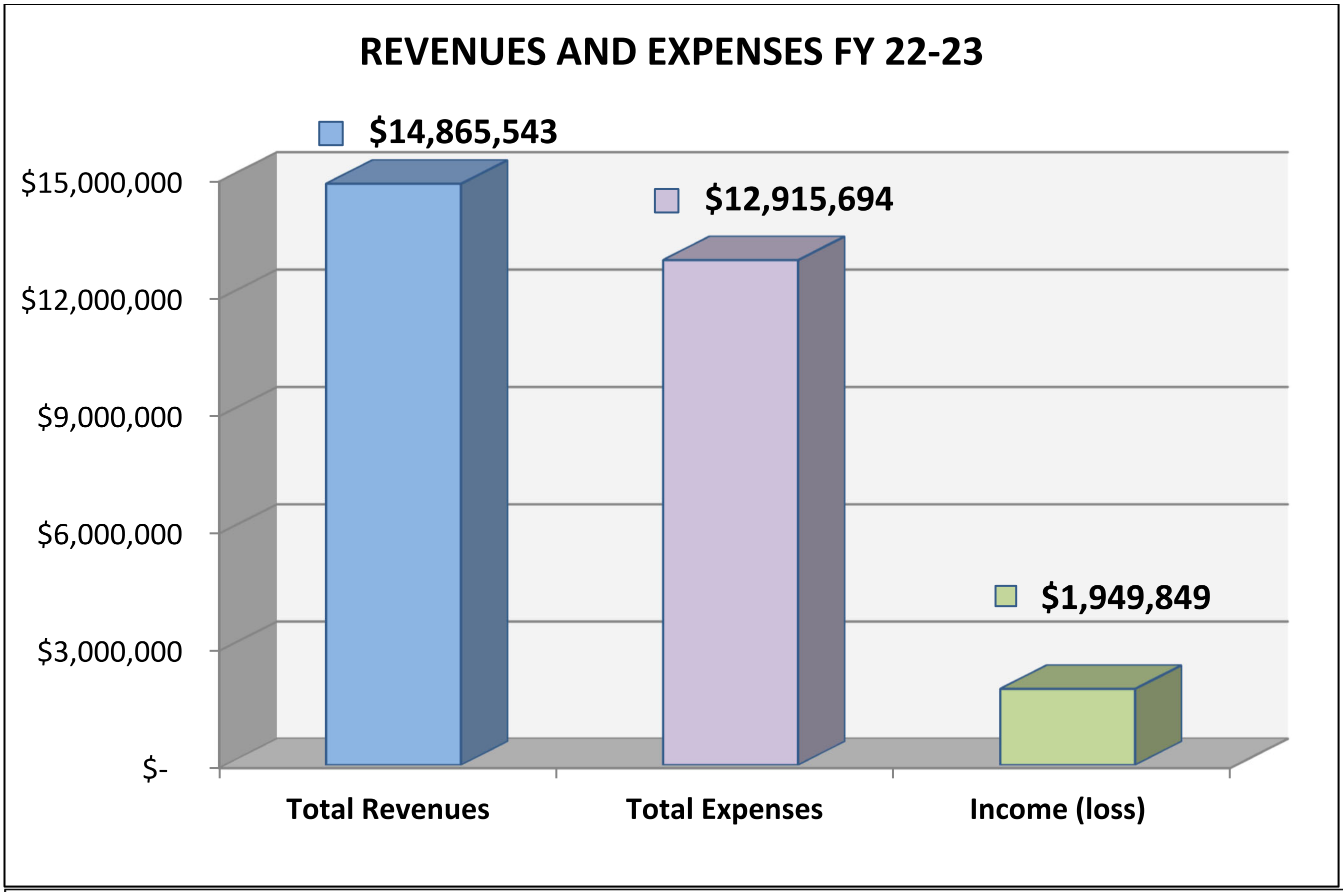

REVENUES FY 21-22
$9,478,257
66.70%
$1,030,555
7.25%
$34,632
0.24%
$227,483
1.60%
$3,439,685
24.21%
Service Charges
Permit/Inspection Fees
Sewage Treatment- Others
Administrative and Annexation Charges
Non-Operating Revenue (net)

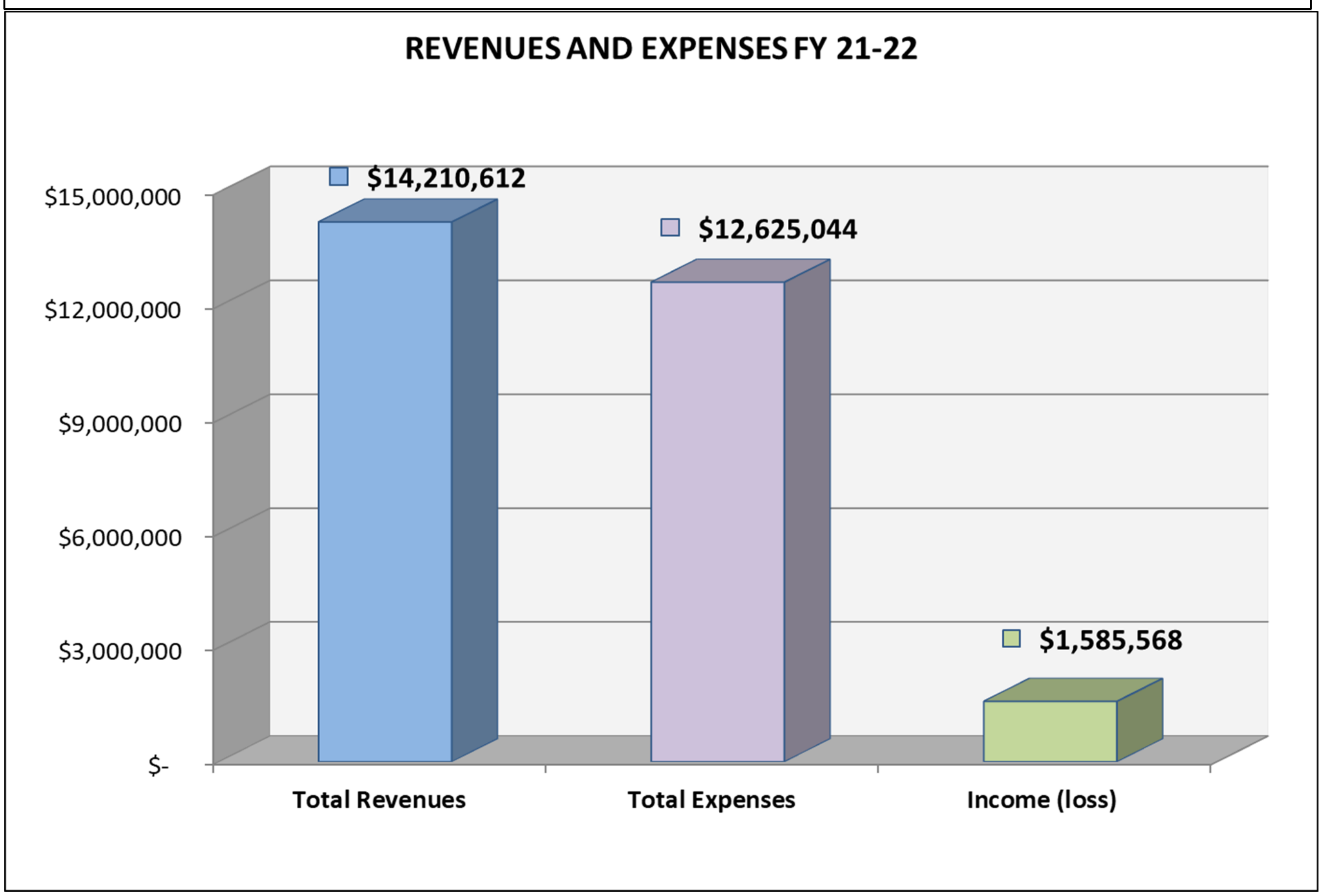


EXPENSES FY 22-23
$7,447,347
57.66%
$2,446,304
18.94%
$427,117
3.31%
$770,431
5.96%
$1,464,176
11.34%
$129,587
1.00%
$230,732
1.79%
Sewage Collection
Sewage Treatment
Plant Pump Station
Sewage Disposal
Administrative and General
Reclamation
Non-operating Expenses (Interest Exp)



EXPENSES FY 21-22
$7,850,391
62.18%
$2,346,204
18.58%
$0
$961,625
7.62%
$1,131,009
8.96%
$120,311
0.95%
$215,504
1.71%
Sewage Collection
Sewage Treatment
Plant Pump Station
Sewage Disposal
Administrative and General
Reclamation
Non-operating Expenses


REVENUES AND EXPENSES FY 22-23
$14,865,543
$12,915,694
$1,949,849
$15,000,000
$12,000,000
$9,000,000
$6,000,000
$3,000,000
$-
Total Revenues
Total Expenses
Income (loss)


REVENUES AND EXPENSES FY 21-22
$14,210,612
$12,625,044
$1,585,568
$15,000,000
$12,000,000
$9,000,000
$6,000,000
$3,000,000
$-
Total Revenues
Total Expenses
Income (loss)

Capital Asset and Debt Administration

Capital Assets. The Goleta Sanitary District's investment in capital assets for its business-type activities as of June 30, 2023 and June 30, 2022 amounts to $67,370,165 and $68,144,919 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, systems, improvements, machinery, and equipment.

Major capital asset events during the current fiscal year included the following:

The Collections department continued the manhole raising and contracted sewer spot repairs during the fiscal year.

Treatment plant projects included: Stainless steel valves at the headworks, Hoffman Blower motor, and Wemco Grit pump projects were completed; plant communications upgrade projects and solids building transfer pump projects are still underway; the Administration building office had the addition of a workspace cubical.

The Reclamation Facility also had capital asset events: PID control and sodium hypochlorite feed piping projects are ongoing as are the filter PLC and controls projects.

Construction in progress projects include asset management and capital asset projects for both the Collections and the Treatment Plant. The Treatment Plant has ongoing projects related to biosolids handling and biosolids to energy projects; The lift station rehab project is well underway.

GOLETA SANITARY DISTRICT'S CAPITAL ASSETS

	June 30, 2023	June 30, 2022	June 30, 2021
Land	$ 327,243	$ 327,243	$ 327,243
Construction in Progress	7,232,062	4,423,717	2,968,658
Collection Facilities	29,953,062	29,738,208	29,560,933
Treatment Facilities	71,070,427	70,046,257	69,866,434
Disposal Facilities	3,743,731	3,743,731	3,743,731
Admin Facilities and all Vehicles	3,330,970	3,325,619	3,285,357
Wastewater Reclamation	15,634,929	15,629,405	15,590,906
Total	$ 131,292,424	$ 127,234,180	$ 125,343,262
Less Accumulated Depreciation	$ (62,580,215)	$ (58,924,177)	$ (55,304,178)
Net Capital Assets	$ 68,712,209	$ 68,310,003	$ 70,039,084

Additional information on the Goleta Sanitary District's capital assets can be found in Note 4 on page 25 of this report.

Long-term Liabilities. At the fiscal year-end, June 30, 2023, the Goleta Sanitary District held current and long-term liabilities related to the BESP project loan. Information on long-term liabilities can be found in Note 5 on page 25 and the discussion in Note 10 on page 34 of this report.

Economic Factors and Next Year's Budgets and Rates

The District sets its user rate schedule to cover the total O&M costs and accommodate an annual contribution to its depreciation reserve fund. The District reviewed and adjusted its sewer service rates for FY 2018-19 and FY 2019-20 using a CPI index to accommodate increased O&M costs due to inflation. No adjustments since then have been made.

Other Post-Employment Benefits

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2009, the District joined the CalPERS medical program. An actuarial was performed during the 2022-2023 fiscal year to complete a valuation of the District's postemployment medical program with a measurement date of June 30, 2022, compliant under GASB Statement No. 75. The purpose of the valuation is to determine the value of the expected postretirement benefits for current and future retirees and the net OPEB benefit cost of the fiscal year ending June 30, 2023. GASB Statement No. 75 has many accounts and features that are similar to the GASB Statement No. 68 related to pensions. The actuarial report prepared during Fiscal Year 2022-2023, noted net OPEB was a liability of $915,255. Actual cash contributions to CERBT for Plan year 22-23 came to $359,425 in the form of direct payments to CERBT, reimbursements to retirees, and direct premium payments to CalPERS. Details can be found in Note 9 beginning on page 30 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Goleta Sanitary District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, Goleta Sanitary District, One William Moffett Place, Goleta, CA 93117.

GOLETA SANITARY DISTRICT
STATEMENT OF NET POSITION - ENTERPISE FUND
June 30, 2023
With Comparative Totals for June 30, 2022

	2023	2022
Assets		
Current:		
Cash and investments	$ 29,312,181	$ 30,270,839
Receivables:		
Accounts	1,424,129	1,126,374
Accrued interest	16,198	3,796
Inventories	88,425	91,174
Prepaid expenses	96,368	112,801
Total Current Assets	30,937,301	31,604,984
Noncurrent:		
Restricted:		
Cash and investments	18,136,106	18,733,979
Accounts receivable	178,046	186,433
Net OPEB Asset		53,888
Capital assets - net	68,712,209	68,310,003
Total Noncurrent Assets	87,026,361	87,284,303
Total Assets	117,963,662	118,889,287
Deferred Outflows of Resources		
Deferred OPEB	1,514,365	367,336
Deferred pensions	5,657,685	1,030,845
Total Deferred Outflows of Resources	7,172,050	1,398,181
Liabilities		
Current:		
Accounts payable and accrued liabilities	1,866,407	941,260
Current portion of accrued compensated leave	55,372	54,698
Note from direct borrowing - current portion	268,979	251,905
Total Current Liabilities	2,190,758	1,247,863
Noncurrent:		
Accrued compensated leave	166,116	164,092
Note from direct borrowing - long-term portion	13,349,089	13,883,095
Net OPEB liability	915,255	
Net pension liability	5,713,307	2,502,959
Total Noncurrent Liabilities	20,143,767	16,550,146
Total Liabilities	22,334,525	17,798,009
Deferred Inflows of Resources		
Deferred OPEB	1,194,042	1,179,507
Deferred pensions	335,724	2,323,617
Total Deferred Inflows of Resources	1,529,766	3,503,124
Net Position		
Net investment in capital assets	67,370,165	68,144,919
Restricted for capital expansion	5,521,196	4,907,458
Restricted for construction	12,792,956	14,012,954
Unrestricted	15,587,104	11,921,004
Total Net Position	$ 101,271,421	$ 98,986,335

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

GOLETA SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2023
With Comparative Totals for the Fiscal Year Ended June 30, 2022

	2023	2022
Operating Revenues:		
Service charges	$ 9,206,456	$ 9,478,257
Permit and inspection fees	34,477	34,632
Sewage treatment - other agencies	3,469,055	3,439,685
Administrative charges	214,688	227,483
Total operating revenues	12,924,676	13,180,057
Operating Expenses:		
Sewage collection	2,446,304	2,346,204
Sewage treatment	7,447,347	7,850,391
Plant pump station	230,732	215,504
Sewage disposal	129,587	120,311
Administrative and general	1,464,176	1,131,009
Wastewater reclamation	770,431	961,625
Total operating expenses	12,488,577	12,625,044
Operating income (loss)	436,099	555,013
Nonoperating Revenues (Expenses):		
Property tax	217,935	202,085
Intergovernmental	754	768
Investment earnings	1,357,977	82,871
Interest expense	(427,117)	
Annexation charges	14,030	11,895
Reimbursements from participating agencies	8,152	5,076
Other	343,819	729,916
Loss on disposal of capital assets	(1,800)	(2,056)
Total nonoperating revenues (expenses)	1,513,750	1,030,555
Income before capital contributions	1,949,849	1,585,568
Capital contributions	335,237	338,385
Change in net position	2,285,086	1,923,953
Net position, beginning of fiscal year	98,986,335	97,062,382
Net position, end of fiscal year	$ 101,271,421	$ 98,986,335

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

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2023
With Comparative Totals for the Fiscal Year Ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 12,635,308	$ 13,097,826
Payments to suppliers	(2,677,058)	(3,747,375)
Payments to employees	(8,776,190)	(5,478,067)
Net cash provided by operating activities	1,182,060	3,872,384
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	217,935	202,085
Intergovernmental	754	768
Reimbursements from other governments	8,152	5,076
Annexation charges	14,030	11,895
Other revenue	343,819	729,916
Net cash provided by noncapital financing activities	584,690	949,740
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	335,237	338,385
Acquisition and construction of capital assets	(4,060,044)	(1,892,974)
Proceeds from issuance of note from direct borrowing		14,135,000
Principal paid on long-term debt	(516,932)	
Interest paid on long-term debt	(427,117)	
Net cash provided (used) by capital and related financing activities	(4,668,856)	12,580,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,345,575	80,726
Net cash provided by investing activities	1,345,575	80,726
Net increase (decrease) in cash and cash equivalents	(1,556,531)	17,483,261
Cash and cash equivalents, July 1,	49,004,818	31,521,557
Cash and cash equivalents, June 30	$ 47,448,287	$ 49,004,818
Reconciliation to Statement of Net Position:		
Cash and investments	$ 29,312,181	$ 30,270,839
Restricted cash and investments	18,136,106	18,733,979
	$ 47,448,287	$ 49,004,818

(Continued)

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

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND (Continued)
For the Fiscal Year Ended June 30, 2023
With Comparative Totals for the Fiscal Year Ended June 30, 2022

	2023	2022
Reconciliation to reconcile operating income to net cash provided by operating activities:		
Operating income (loss)	$ 436,099	$ 555,013
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	3,656,038	3,619,999
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(289,368)	(82,231)
Inventory	2,749	5,368
Prepaid expenses	16,433	(27,043)
Deferred outflows	(5,773,869)	178,312
Accounts payables	925,147	201,547
Net OPEB obligation	969,143	(798,472)
Compensated absences	2,698	(12,863)
Net pension liability	3,210,348	(2,294,753)
Deferred inflows	(1,973,358)	2,527,507
Net cash provided by operating activities	$ 1,182,060	$ 3,872,384

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

NOTE 1 - REPORTING ENTITY

The Goleta Sanitary District (District) was formed in 1942 to provide sewage service for the unincorporated community of Goleta. In 2002, the City of Goleta was incorporated as a general law city of the State of California. The original plant site was owned by the District and the University of California at Santa Barbara. The District is now the sole owner of the plant and the site.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements of the Goleta Sanitary District have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for governmental accounting financial reporting purposes.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of assets, liabilities, fund equity, revenues, and expenses. This system permits separate accounting for each established fund for purposes of complying with applicable legal provisions, Board of Director's ordinances and resolutions, and other requirements. The accounts have also been maintained in accordance with the California State Controller's uniform system of accounts.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

The District distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by wastewater services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying wastewater treatment services.

B. Plant Capacity Rights

In 1950, the District entered into an agreement with the University of California at Santa Barbara for the construction and mutual use of a treatment plant and sewer lines. Since that time, three other agencies have acquired capacity rights in the sewage treatment facilities.

For the fiscal year, agreements were in effect for the following capacity rights:

	Capacity Rights in Plant	Capacity Rights In Ocean Outfall Line
Goleta Sanitary District	47.87%	55.81%
Goleta West Sanitary District	40.78%	35.00%
University of California at Santa Barbara	7.09%	4.70%
City of Santa Barbara	2.84%	2.60%
County of Santa Barbara	1.42%	1.89%
	100.00%	100.00%

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Procedures

Budgetary information is not presented because the District is not legally required to adopt a budget. Although not legally required, an annual budget is prepared, which includes estimates for the District's principal income sources to be received during the fiscal year, as well as estimated expenses and cash reserves needed for operations.

D. Deposits and Investments

For purpose of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

As a governmental entity other than an external investment pool in accordance with GASB Statements No. 31 and 72, the District's investments are stated at fair value except for interest-earning investment contracts.

E. Prepaid Costs

Payments to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items. The District utilizes the consumption method of accounting for purchases, and accounts for prepaid costs in the period that the benefit was received and recognizes expenses as consumed.

F. Inventories

Inventories are priced using the lower of cost or market method, determined on a first-in, first-out basis. Inventories consist of expendable supplies, spare parts, and fittings.

G. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets, are reported in the District's enterprise fund. Capital assets are defined by the District as assets with an initial, individual cost of more than $2,500.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the District values these capital assets at the original estimate.

Construction in Progress – The District occasionally constructs capital assets for its own use in the plant operations and within its sewer collection system. The costs associated within these projects are accumulated in a construction in progress account while the project is being developed. Once the project is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if material. For the current fiscal year, no interest was capitalized.

Capital assets are depreciated using the straight line method over estimated useful lives as follows:

Collection Lines	50 years
Buildings	40 years
Pumping and Treatment Equipment	10 – 25 years
Office Equipment	3 – 10 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences Liability

Employees are entitled to accumulate vacation leave at a rate of two, three, four, or five weeks per year, depending on the number of years of service completed. Vacation leave is fully vested and any unused leave will be paid to employees upon termination of employment. Employees are also entitled to accumulate comp time when they work overtime, they are called back to work, or they are on standby. The rates of the accrual vary by employees and no employee can accumulate more than 40 hours of comp time.

In accordance with accounting principles generally accepted in the United States of America, the liability is reflected on the Statement of Net Position and the current fiscal year allocation has been expensed. The balance at June 30, 2023 and 2022 was $221,488 and $218,790 respectively.

I. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indenture, by law, or contractual obligations to be used for specified purposes, such as servicing bonded debt and construction of capital assets.

J. Capital Contributions

Capital contributions represent utility plant additions contributed to the District by property owners, other agencies, or developers. Depreciation of contributed utility plant assets are charged to operations.

K. Uncollectible Accounts

Uncollectible accounts are determined using the allowance method based upon prior experience and management's assessment of the collectability of specific existing accounts and are included in the net accounts receivable.

L. Property Taxes

Tax levies are limited to 1% of full market value (at time of purchase) which results in a tax rate of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Property taxes are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change of ownership.

Tax collections are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

The District does not receive a substantial amount of property taxes. For the fiscal years ended June 30, 2023 and 2022, the District received $217,935 and $202,085, respectively. The District does not receive property tax from every parcel in its service area, only those parcels for which the property taxes were negotiated at the time it was annexed.

M. Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Goleta Sanitary District's California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

O. 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 Plan's 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.

P. 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 Notes 8 and 9 for a detailed listing of the deferred outflows of resources the District has reported.

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 two items which qualify for reporting in this category; refer to Notes 8 and 9 for a detailed listing of the deferred inflows of resources the District has reported.

Q. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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.

S. Comparative Data/Totals Only

Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts may have been reclassified to conform to the current fiscal year financial statements presentation.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

	2023	2022
Cash on hand	$ 500	$ 500
Deposits with financial intitutions	40,224,997	47,002,561
Investments	7,222,790	2,001,757
	$ 47,448,287	$ 49,004,818

Cash and investments listed above, are presented on the accompanying statement of net position, as follows:

	2023	2022
Cash and investments	$ 29,312,181	$ 30,270,839
Restricted cash and investments	18,136,106	18,733,979
Total cash and investments	$ 47,448,287	$ 49,004,818

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. 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 investments in LAIF and California CLASS are measured at amortized cost.

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$75,000,000
California CLASS	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

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:

2023

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	$ 2,031,736	$ 2,031,736	$ -	$ -	$ -
California CLASS	5,191,054	5,191,054			
	$ 7,222,790	$ 7,222,790	$ -	$ -	$ -

2022

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	$ 2,001,757	$ 2,001,757	$ -	$ -	$ -
	$ 2,001,757	$ 2,001,757	$ -	$ -	$ -

NOTE 3 - CASH AND INVESTMENTS (Continued)

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 the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

2023

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End AAA	A+	Baa	Not Rated
State investment pool (LAIF)	$ 2,031,736	N/A	$ -	$ -	$ -	$ 2,031,736
California CLASS	5,191,054	N/A	5,191,054			
	$ 7,222,790		$ 5,191,054	$ -	$ -	$ 2,031,736

2022

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End AAA	A+	Baa	Not Rated
State investment pool (LAIF)	$ 2,001,757	N/A	$ -	$ -	$ -	$ 2,001,757
	$ 2,001,757		$ -	$ -	$ -	$ 2,001,757

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, $47,437,515 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uninsured accounts.

Collateral for Deposits

The collateral for deposits is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintain detailed records of the security pool which are coordinated and updated weekly.

The Treasurer, at his or her discretion, may waive the 110% collateral requirement for deposits. Deposit accounts are insured up to $250,000.

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 investment. With respect to investments, custodial credit risk generally applies to direct investments in marketable securities through the use of mutual funds or government investment pools (such as LAIF and California CLASS).

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each entity may invest up to $75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California.

LAIF's and the District's exposure to risk (credit, market or legal) is not currently available. Section 16429.3 states that "money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State Agency."

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 and June 30, 2022 was as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	$ 327,243	$ -	$ -	$ -	$ 327,243
Construction in progress	4,423,717	3,974,237	(1,800)	(1,164,092)	7,232,062
Total capital assets not being depreciated	$ 4,750,960	$ 3,974,237	$ (1,800)	$ (1,164,092)	$ 7,559,305
Capital assets being depreciated:					
Collection facilities	$ 29,738,208	$ -	$ -	$ 214,854	$ 29,953,062
Treatment facilities	70,046,257	80,283		943,887	71,070,427
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,325,619			5,351	3,330,970
Wastewater reclamation facility	15,629,405	5,524			15,634,929
	122,483,220	85,807		1,164,092	123,733,119
Less accumulated depreciation	58,924,177	3,656,038			62,580,215
Total capital assets being depreciated, net	$ 63,559,043	$ (3,570,231)	$ -	$ 1,164,092	$ 61,152,904
Net capital assets	$ 68,310,003	$ 404,006	$ (1,800)	$ -	$ 68,712,209

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	$ 327,243	$ -	$ -	$ -	$ 327,243
Construction in progress	2,968,658	1,803,754	(2,056)	(346,639)	4,423,717
Total capital assets not being depreciated	$ 3,295,901	$ 1,803,754	$ (2,056)	$ (346,639)	$ 4,750,960
Capital assets being depreciated:					
Collection facilities	$ 29,560,933	$ -	$ -	$ 177,275	$ 29,738,208
Treatment facilities	69,866,434	83,476		96,347	70,046,257
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,285,357			40,262	3,325,619
Wastewater reclamation facility	15,590,906	5,744		32,755	15,629,405
	122,047,361	89,220		346,639	122,483,220
Less accumulated depreciation	55,304,178	3,619,999			58,924,177
Total capital assets being depreciated, net	$ 66,743,183	$ (3,530,779)	$ -	$ 346,639	$ 63,559,043
Net capital assets	$ 70,039,084	$ (1,727,025)	$ (2,056)	$ -	$ 68,310,003

NOTE 5 – LONG-TERM LIABILITIES

The following table summarizes the changes in long-term liabilities for the fiscal years ended June 30, 2023 and June 30, 2022:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Compensated absences	$ 218,790	$ 221,170	$ 218,472	$ 221,488	$ 55,372
Note from direct borrowing	14,135,000		516,932	13,618,068	268,979
Net OPEB liability (asset)	(53,888)	969,143		915,255	
Net pension liability	2,502,959	3,210,348		5,713,307	
Total long-term liabilities	$ 16,802,861	$ 4,400,661	$ 735,404	$ 20,468,118	$ 324,351

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 231,653	$ 206,478	$ 219,341	$ 218,790	$ 54,698
Note from direct borrowing		14,135,000		14,135,000	251,905
Net OPEB liability	744,584	294,152	1,092,624	(53,888)	
Net pension liability	4,797,712	1,074,382	3,369,135	2,502,959	
Total long-term liabilities	$ 5,773,949	$ 15,710,012	$ 4,681,100	$ 16,802,861	$ 306,603

NOTE 6 – NET POSITION

There are three main components of net position: Net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents the District's capital assets net of depreciation that are unencumbered by debt.

NOTE 6 – NET POSITION (Continued)

Restricted net position consists of amounts that have legal restrictions imposed by parties outside of the reporting entity.

Unrestricted net position is a catch all for all remaining net position not accounted for in the other two categories.

The following is included in Restricted Net Position:

Reserve for Plant Capacity Expansion

This restricted reserve is related to that portion of the District's net position attributable to capacity expansion connection fees. Such fees can only be used for plant expansion. At June 30, 2023 and 2022, this restricted amount was $5,521,196 and $4,907,458, respectively.

Restricted for Biosolids and Energy Strategic Plan

This portion of the District's net position is the unspent portion of the installment sale note from direct borrowing and is only for use in the Biosolids and Energy Strategic Plan project. At June 30, 2023 and 2022, this restricted amount was $12,792,956 and $14,012,954, respectively.

NOTE 7 – RISK MANAGEMENT

The District is a member of the California Sanitation Risk Management Authority ("Authority"). The following disclosures are made in compliance with GASB Code Section J50.103:

A. Description of Joint Powers Authority

The Authority is comprised of 59 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance and risk management for the pooling of self-insured losses and to purchase excess insurance coverage.

Each member has a representative on the Board of Directors. Officers of the Authority are elected annually by the Board members.

B. Self-Insurance Programs of the Authority

General Liability Insurance

Annual deposits are paid by member districts and are adjusted retrospectively to cover costs. Each member district self-insures at a variable amount for each loss; however, annual premiums are set such that this self-insured retention level is funded on an annual basis through required premiums. Participating districts then share in the next shared pool layer per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, errors and omissions, sudden and accidental pollution and employment practice liability. Separate deposits are collected from member districts to cover claims between $0 and $15,500,000. The pool layer is subject to retrospective adjustment. The District participates in the Authority's General Liability Program.

Workers Compensation Insurance

Annual deposits are paid by member districts and are adjusted retrospectively to cover costs. Each member district has first dollar coverage. Losses in excess of $750,000 are covered by excess insurance purchased by the participating district, as part of the pool, to a limit of $1 million per accident. The District participates in the Authority's Workers Compensation Program.

Property Protection

The District participates in the All Risks, Boiler and Machinery, and Flood Property Protection Program, which is underwritten by five insurance companies. The annual deposits are paid by participating member districts and are based upon value at risk and not subject to retroactive adjustments.

The Insurance Authority establishes claim liabilities based on actuarial estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported.

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS 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 CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022 (the Measurement Date), are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 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	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	11.61% + $410,666	7.76% + $3,451

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is 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 fiscal year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were $3,807,921 for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $5,713,307 for its proportionate share of the net pension liability. The net pension liability was 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 plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2022, the District's proportion share of net pension liability was as follows:

Proportion-June 30, 2021	0.13182%
Proportion-June 30, 2022	0.12210%
Change-increase(decrease)	-0.00972%

NOTE 8 – PENSION PLAN (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 $192,465. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. 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
Changes in assumptions	$ 585,448	$ -
Differences between expected and actual experience	114,734	76,844
Net difference between projected and actual earnings on retirement plan investments	1,046,526	
Difference in proportions	103,056	
Differences in actual contributions and proportionate share of contributions		258,880
District contributions subsequent to the measurement date	3,807,921	
	$ 5,657,685	$ 335,724

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

$3,807,921 reported as deferred outflows of resources related to pensions resulting from District 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 in the pension expense as follows:

Fiscal Year Ending June 30,	Amount
2024	$ 373,392
2025	319,508
2026	181,048
2027	640,092
	$ 1,514,040

NOTE 8 – PENSION PLAN (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities are based on the 2021 CalPERS' Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' Experience Study and Review of Actuarial

Changes in Assumptions

The discount rate changed from 7.15% to 6.90% and the inflation rate changed from 2.50% to 2.30%.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (a,b)
Global Equity - cap-weighted	30.0%	4.45%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

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

(b) Figures are based on the 2021 Asset Liability Management Study.

NOTE 8 – PENSION PLAN (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 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS' Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS' Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions are reflected in the GASB Statement No. 68 accounting valuation reports for the June 30, 2022, measurement date.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90% percent, 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 (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension plan liability	$8,897,844	$ 5,713,307	$ 3,093,223

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

C. Payable to 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 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). Benefits are provided to employees who retire at age 50 or older with five years of eligible CalPERS service. Coverage is also provided to eligible retirees, spouses and surviving spouses. These benefits are provided per contract between the District and the employee associations. Separate financial statements of the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, and CA 95814 or by visiting the CalPERS' website at www.calpers.ca.gov.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Policy

In 2009, the District joined the CalPERS medical program. In 2022, the District contributed the full cost of retiree and spousal coverage, up to the cost of PERS Choice coverage in comparison to the "unequal contribution" approach that was used at the inception of the CalPERS medical program. The District's contribution will be based on each retiree's age and enrollment status. The contribution requirements of plan members and the District are established and may be amended by the District and the employee associations. Currently, contributions are not required from plan members.

Employees Covered

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active employees	31
Inactive employees or beneficiaries currently receiving benefits	15
Total	46

Contributions

The District has a trust with the California Employers' Retiree Benefit Trust (CERBT). The District currently finances the trust by making 100% of the actuarially determined contribution.

Net OPEB Liability

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 as of June 30, 2022.

Actuarial assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.28%, based on the CERBT Strategy 1 investment policy
Salary increases	3.00% plus merit component
Inflation rate	2.50%
Investment rate of return	7.28% based on CERBT Strategy 1 investment policy
Healthcare cost trend rate	5.20% for 2022 through 2034, 5.00% for 2035 through 2049, 4.50% for 2050 through 2064, and 4.00% thereafter

Assumption Changes: The Inflation rate was changed to 2.50% and the Healthcare cost trend rate was changed to 5.20%

Discount rate. GASB Statement No. 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20 years, tax-exempt general obligation municipal bonds with an average of AA/Aa or better for benefits not covered by plan assets.

The arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan and listed in the Investments section of this Note. For each fiscal year thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Net OPEB Liability (Continued)

	June 30, 2022	**June 30, 2021**
Discount Rate	7.28%	7.28%
Bond buyer 20-Bond GO Index	2.21%	2.21%

Changes in the OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021-Measurement Date	$ 4,225,936	$ 4,279,824	$ (53,888)
Changes recognized for the measurement period:			
Service cost	182,212		182,212
Interest	315,229		315,229
Changes of assumptions	(655,913)		(655,913)
Difference between expected and actual experience	901,434		901,434
Contributions - employer		359,425	(359,425)
Net investment income		(584,514)	584,514
Benefit payments	(158,954)	(158,954)	
Administrative expense		(1,092)	1,092
Net Changes	584,008	(385,135)	969,143
Balance at June 30, 2022-Measurement Date	$ 4,809,944	$ 3,894,689	$ 915,255

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.28 percent) or 1 percentage point higher (8.28 percent) than the current discount rate:

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Liability	$ 1,544,681	$ 915,255	$ 388,910

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.20 percent decreasing to 3.00 percent) or 1 percentage point higher (6.20 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (4.20% decreasing to 3.00%)	Trend Rate (5.20% decreasing to 4.00%)	1% Increase (6.20% decreasing to 5.00%)
Net OPEB Liability	$ 301,143	$ 915,255	$ 1,671,445

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Investments

The allocation of the plan's invested assets is established by CERBT Strategy 1. The objective is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. The asset allocations and benchmarks for CERBT Strategy 1 are listed below:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Global ex-U.S. Equity	59.00%	5.90%
U.S. Fixed	25.00%	0.90%
Real Estate	8.00%	3.30%
TIPS	5.00%	0.40%
Commodities	3.00%	0.40%

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of $172,737. As of the fiscal year ended June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 336,088	$ -
Change in assumptions		1,071,390
Difference between expected and actual experience	792,612	122,652
Net difference between projected and actual earnings on retirement plan investments	385,665	
	$ 1,514,365	$ 1,194,042

$336,088 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal year Ending June 30,	Amount
2024	$ (5,114)
2025	(11,488)
2026	(31,853)
2027	96,365
2028	(74,870)
Thereafter	11,195
	$ (15,765)

NOTE 10 – NOTE FROM DIRECT BORROWING

On June 23, 2022, the District entered into an installment sale agreement for direct borrowing with the Banc of America Public Capital Corporation, a Kansas corporation to issue private financing note of $14,135,000 to be repaid in semiannual installment payments of about $472,024 each at a contract interest rate of 2.982% per annum for 20 years through June 2042. The financing is to be used for implementation of the District's Biosolids and Energy Strategic Plan (BESP) projects including a new 550,000 gallon digester with a 160kW generator to convert biogas to electricity and other improvements in the Plant. The note is secured by the net revenues of the District. In the event of a default, all remaining installment payments become immediately due and payable, the seller may retake possession of all equipment or require return of the equipment, and the seller may terminate the escrow agreement and apply proceeds in the escrow account to the installment payments. The installment payment schedule is as follows:

Fiscal year ended June 30,	Principal	Interest	Total
2024	$ 268,979	$ 203,045	$ 472,024
2025	550,049	393,999	944,048
2026	566,573	377,475	944,048
2027	583,595	360,453	944,048
2028	601,128	342,921	944,049
2029-2033	3,287,622	1,432,619	4,720,241
2034-2038	3,812,040	908,203	4,720,243
2039-2042	3,948,082	298,980	4,247,062
Total	$ 13,618,068	$ 4,317,695	$ 17,935,763

NOTE 11 – WASTEWATER RECLAMATION PROJECT

The District entered into an agreement, dated October 15, 1990, with the Goleta Water District for construction and operation of a wastewater reclamation project. The project provides for additional treatment of the District's wastewater and to distribute the resulting reclaimed wastewater for use by the Goleta Water District's customers.

The District agreed to provide the additional treatment facilities, which are integrated into the current treatment plant. The Goleta Water District agreed to provide the pumping and distribution facilities for the delivery of the reclaimed water.

The District has provided the site for the Reclamation Facility. The Reclamation Facility is designed to have a treatment, storage, and pumping capacity of 3.3 million gallons per day.

The agreement with the Goleta Water District provides that the Goleta Water District ultimately pay all the costs associated with the design and construction of the project, as well as the operation costs once the facility is completed. The Goleta Water District has the right to the water produced, with certain options.

The project was substantially complete and officially placed in service in August 1994.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Land Purchase Restrictions

On December 23, 1980, the District acquired twenty-eight (28) acres of land adjacent to the original plant site for the construction of various structures, ponds and sludge lagoons for the plant expansion project. The acquisition is subject to the condition that should the District or its successors at any time within fifty-nine (59) years cease to use the land, as defined in the deed, for the operation of a wastewater treatment plant for a continuous period of one (1) year, and the land will revert to the seller or its successor, at the acquisition price.

REQUIRED SUPPLEMENTARY INFORMATION

GOLETA SANITARY 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 Pension Plan.

	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.04946%	0.04628%	0.04409%	0.04336%	0.04244%
Proportionate share of the net pension liability	$ 5,713,307	$ 2,502,959	$ 4,797,712	$ 4,442,628	$ 4,090,003
Covered payroll	$ 3,037,759	$ 3,080,465	$ 2,962,731	$ 2,711,945	$ 2,995,198
Proportionate share of the net pension liability as a percentage of covered payroll	188.08%	81.25%	161.94%	163.82%	136.55%
Plan's total pension liability	$ 49,525,975,138	$ 46,174,942,264	$ 43,702,930,887	$ 41,426,453,489	$ 38,944,855,364
Plan's fiduciary net position	$ 37,975,170,163	$ 40,766,653,876	$ 32,822,501,335	$ 31,179,414,067	$ 29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%

	2018	2017	2016	2015
Proportion of the net pension liability	0.04260%	0.04215%	0.03991%	0.04434%
Proportionate share of the net pension liability	$ 4,224,332	$ 3,647,366	$ 2,739,101	$ 2,759,210
Covered payroll	$ 2,609,634	$ 2,526,857	$ 2,378,509	$ 2,309,232
Proportionate share of the net pension liability as a percentage of covered payroll	161.87%	144.34%	115.16%	119.49%
Plan's total pension liability	$ 37,161,348,332	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 27,244,095,376	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

Note to Schedule:

Changes in assumptions
In the reporting fiscal year ended June 30, 2023, the discount rate was reduced from 7.15% to 6.90% and price inflation was reduced from 2.50% to 2.30%.

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

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

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

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	$ 718,551	$ 658,862	$ 615,256	$ 619,908	$ 529,842
Contribution in relation to the actuarially determined contributions	(3,807,921)	(658,862)	(615,256)	(619,908)	(529,842)
Contribution deficiency (excess)	$ (3,089,370)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,081,174	$ 3,037,759	$ 3,080,465	$ 2,962,731	$ 2,711,945
Contributions as a percentage of covered payroll	23.32%	21.69%	19.97%	20.92%	19.54%

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 545,176	$ 429,773	$ 392,036	$ 398,321
Contribution in relation to the actuarially determined contributions	(545,176)	(429,773)	(392,036)	(398,321)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 2,995,198	$ 2,609,634	$ 2,526,857	$ 2,378,509
Contributions as a percentage of covered payroll	18.20%	16.47%	15.51%	16.75%

Notes to Schedule

No changes for the fiscal year ended June 30, 2023.

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

GOLETA SANITARY DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2023

Measurement Period	2022	2021	2020	2019
Total OPEB Liability				
Service cost	$ 182,212	$ 141,331	$ 149,735	$ 142,604
Interest on the total OPEB liability	315,229	291,378	293,274	271,402
Actual and expected experience difference	901,434	5,306	(5,469)	3,998
Changes in assumptions	(655,913)		(325,191)	
Benefit payments	(158,954)	(143,863)	(116,597)	(132,500)
Net change in total OPEB Liability	584,008	294,152	(4,248)	285,504
Total OPEB liability- beginning	4,225,936	3,931,784	3,936,032	3,650,528
Total OPEB liability- ending (a)	$ 4,809,944	$ 4,225,936	$ 3,931,784	$ 3,936,032
Plan Fiduciary Net Position				
Contribution - employer	$ 359,425	$ 356,984	$ 334,190	$ 356,618
Net investment income	(584,514)	880,716	113,954	157,288
Benefit payments	(158,954)	(143,863)	(116,597)	(132,500)
Administrative expense	(1,092)	(1,213)	(1,414)	(540)
Net change in plan fiduciary net position	(385,135)	1,092,624	330,133	380,866
Plan fiduciary net position- beginning	4,279,824	3,187,200	2,857,067	2,476,201
Plan fiduciary net position- ending (b)	$ 3,894,689	$ 4,279,824	$ 3,187,200	$ 2,857,067
Net OPEB liability (asset) - ending (a)-(b)	$ 915,255	$ (53,888)	$ 744,584	$ 1,078,965
Covered payroll	3,173,639	3,230,223	3,031,111	2,867,993
Net OPEB liability (asset) as a percentage of covered payroll	28.84%	-1.67%	24.56%	37.62%
Plan fiduciary net position as a percentage of the total OPEB liability	80.97%	101.28%	81.06%	72.59%

Measurement Period	2018	2017
Total OPEB Liability		
Service cost	$ 155,373	$ 147,974
Interest on the total OPEB liability	306,910	284,763
Actual and expected experience difference	(240,756)	1,341
Changes in assumptions	(564,625)	
Benefit payments	(131,291)	(143,019)
Net change in total OPEB Liability	(474,389)	291,059
Total OPEB liability- beginning	4,124,917	3,833,858
Total OPEB liability- ending (a)	$ 3,650,528	$ 4,124,917
Plan Fiduciary Net Position		
Contribution - employer	$ 357,543	$ 336,291
Net investment income	164,504	181,510
Benefit payments	(131,291)	(143,019)
Administrative expense	(1,130)	(926)
Net change in plan fiduciary net position	389,626	373,856
Plan fiduciary net position- beginning	2,086,575	1,712,719
Plan fiduciary net position- ending (b)	$ 2,476,201	$ 2,086,575
Net OPEB liability - ending (a)-(b)	$ 1,174,327	$ 2,038,342
Covered payroll	N/A	N/A
Net OPEB liability as a percentage of covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	67.83%	50.58%

Notes to Schedule

Changes in assumptions
The inflation rate was increased from 2.26% to 2.50%, annual salary increases were reduced from 3.25% to 3.00%, and the healthcare cost trend rate was reduced from 7.15% to 5.20% for the June 30, 2022 Measurement Date.

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

GOLETA SANITARY DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020
Actuarially Determined Contribution (ADC)	$ 238,074	$ 209,674	$ 248,434	$ 238,643
Contributions in relation to the ADC	(336,088)	(359,425)	(356,387)	(344,190)
Contribution deficiency (excess)	$ (98,014)	$ (149,751)	$ (107,953)	$ (105,547)
Covered payroll	$ 3,173,639	$ 3,230,223	$ 3,031,111	$ 2,867,993
Contributions as a percentage of covered payroll	10.59%	11.13%	11.76%	12.00%

	2019	2018
Actuarially Determined Contribution (ADC)	$ 238,643	$ 321,290
Contributions in relation to the ADC	(356,618)	(357,543)
Contribution deficiency (excess)	$ (117,975)	$ (36,253)
Covered payroll	$ 2,711,945	$ 2,995,198
Contributions as a percentage of covered payroll	13.15%	11.94%

Notes to Schedule

Changes in assumptions
The inflation rate was increased from 2.26% to 2.50%, annual salary increases were reduced from 3.25% to 3.00%, and the healthcare cost trend rate was reduced from 7.15% to 5.20% for the June 30, 2022 Measurement Date.

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